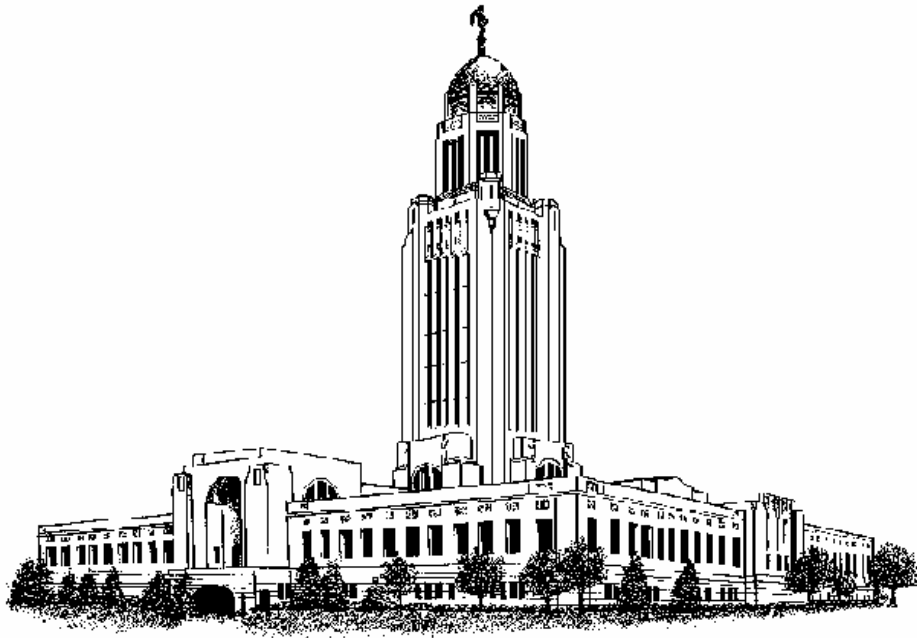


# **Appropriations Committee Budget Recommendations**



**Mid-Biennium Budget Adjustments  
FY2009-10 and FY2010-11**

**March 2010**

# Table of Contents

<b>I. HIGHLIGHTS .....</b>	<b>1</b>
<b>II. GENERAL FUND FINANCIAL STATUS .....</b>	<b>4</b>
A. General Fund Financial Status.....	4
B. Cash Reserve Fund .....	5
C. Assumptions for the Estimated Financial Status for the Following Biennium .....	7
<b>III. GENERAL FUND REVENUES .....</b>	<b>12</b>
A. Revenue Forecasts (including alternative forecasts for the following biennium) .....	12
B. General Fund Transfers-Out .....	14
C. General Fund Transfers-In.....	15
<b>IV. GENERAL FUND APPROPRIATIONS .....</b>	<b>17</b>
B. Increases and Reductions – 20010 Session.....	18
C. Summary Breakdown of FY2010-11 General Fund Budget .....	19
D. Summary of Major Items.....	20
1. TEEOSA School Aid .....	20
2. Homestead Exemption (Dept of Revenue) .....	22
3. Enhanced Group Home Room and Board (HHS) .....	23
4. Medicaid Claw Back (HHS).....	23
5. Medicaid – Prenatal Care for Unborn Children (HHS) .....	24
6. LB 1106 Medicaid, school-based health centers, new match (HHS) .....	24
7. Grand Island Veterans Home Program Statement (HHS).....	24
8. Across the Board Cuts .....	25
<b>V. APPROPRIATIONS – All Funds .....</b>	<b>26</b>
A. Summary .....	26
B. Major Cash, Federal, Revolving Fund Items .....	27
1. Temporary Employment Services Program (SOS) .....	27
2. Convention Center Support Fund .....	27
3. Help America Vote Act (HAVA) Funds .....	27
4. ARRA – Energy Office.....	27
<b>Appendix A Detailed Listing-Mid-Biennium Budget Adjustments (All Funds) .....</b>	<b>28</b>
<b>Appendix B General Fund Appropriations by Agency .....</b>	<b>31</b>
<b>Appendix C General Fund Appropriations by State Aid Program .....</b>	<b>35</b>
<b>Appendix D Across the Board Cuts by Program (General Funds) .....</b>	<b>37</b>

# HIGHLIGHTS

## General Fund Financial Status

### *Current Biennium*

The current financial status with the Committee proposed budget is balanced with a projected ending balance that is \$3.8 million above the minimum reserve. The adjusted revenue growth currently forecast for FY09 through FY11 is the lowest consecutive three years in the 28 years in which growth has been calculated and is a cumulative -1.7%. To put this in perspective, the historical average growth is 5.2% so a three year cumulative growth would be 15.6% based on this 28 year average growth. This 17.3% difference is equal to \$580 million on an annual basis with respect to the FY2010-11 current forecast versus what that number would have been growing at the 28 year average.

Spending growth, excluding deficits, is -4.5% in FY2009-10 and +2.3% in FY2010-11 for a two year average of -1.2%. While there have been cuts in both the 2009 Regular Session, 2009 Special Session, and the committee proposal for 2010 Session, a large portion of this reduction can be attributed to the use of ARRA (American Recovery and Reinvestment Act) funds. The FY2010-11 General Fund budget is \$250.6 million lower due to using ARRA funds to offset General Funds.

At the preliminary budget stage, the Appropriations Committee had relatively minor adjustments, a \$3.6 million deficit in Homestead Exemption offset by several cash fund transfers.

In February 2010, the Nebraska Economic Forecasting Advisory Board (NEFAB) reduced their forecasts by \$31.7. When coupled with a \$15.2 million increase in TEEOSA aid to schools (based on the March 5 posted data), a \$46 million shortfall arose. The committee addressed this with a reduction in Medicaid due to a federal decision to apply the enhanced FMAP to the clawback provisions (\$18.7 million), recapture of costs for prenatal services to unborn children per federal ruling (\$6.8 million), a 2% across the board cut in the same areas as incurred the special session across the board cut (\$7.1 million), \$12.5 million of additional cash fund lapses, and a \$3 million transfer from the Cash Reserve Fund.

<b>Chronology of Financial Status</b> (millions of \$)	Current Biennium				Following Biennium		
	FY09	FY10	FY11	3 Yr Total	FY12	FY13	5 Yr Total
<b>Variance - Sine Die 2009</b>				<b>2.9</b>			<b>(467.7)</b>
Plus: Lower carryover obligations from FY07-08	(0.0)	0.0	0.0	(0.0)	0.0	0.0	(0.0)
Less: FY09 Actual vs Est General Fund Net Receipts	(36.5)	0.0	0.0	(36.5)	0.0	0.0	(36.5)
Less: FY09 Actual vs Est CRF transfers-automatic	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plus: FY09 Actual vs Est Accounting adjustment	(7.0)	0.0	0.0	(7.0)	0.0	0.0	(7.0)
Plus: Assumed lapse, FY09 unexpended	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Change in Minimum Reserve	0.0	0.0	(6.5)	(6.5)	0.0	7.6	1.2
<b>Variance - July 2009</b>				<b>(47.1)</b>			<b>(510.0)</b>
Less: Revenue Forecasts (October 2009)	0.0	(125.3)	(172.0)	(297.3)	(177.0)	(180.0)	(654.3)
Plus: Change in prior year reappropriations	0.0	1.9	0.0	1.9	0.0	0.0	1.9
Less: Change in Minimum Reserve	0.0	0.0	8.7	8.7	0.0	10.3	19.0
<b>Variance - Nov 2009 Pre Special Session</b>				<b>(333.8)</b>			<b>(1,143.4)</b>

<b>Chronology of Financial Status</b> (millions of \$)	Current Biennium				Following Biennium		
	FY09	FY10	FY11	3 Yr Total	FY12	FY13	5 Yr Total
Plus: Committee proposed budget reductions	(0.0)	55.7	148.5	204.2	111.7	66.2	382.1
Plus: Committee proposed reduce reappropriations	0.0	62.5	0.0	62.5	0.0	0.0	62.5
Plus: Committee proposed fund transfers	0.0	37.4	22.4	59.8	0.0	0.0	59.8
Plus: Committee proposed reallocate CRF transfers	0.0	10.0	0.0	10.0	0.0	0.0	10.0
Less: Committee proposed Special Session costs	0.0	(0.1)	0.0	(0.1)	0.0	0.0	(0.1)
Less: Change in Minimum Reserve	0.0	0.0	(2.1)	(2.1)	0.0	(7.9)	(9.9)
<b>Variance - 2009 Special Session</b>				<b>0.4</b>			<b>(639.1)</b>
Less: Revenue Forecasts (revised February 2010)	0.0	(40.3)	8.6	(31.7)	(20.8)	(20.0)	(72.4)
Less: Homestead Exemption	0.0	(3.6)	0.0	(3.6)	0.0	0.0	(3.6)
Less: TEEOSA aid	0.0	0.0	(15.2)	(15.2)	(9.5)	(14.5)	(39.2)
Plus: Medicaid Clawback	0.0	8.1	10.6	18.7	0.0	0.0	18.7
Plus: Costs for prenatal services to unborn children	0.0	1.5	5.3	6.9	6.4	6.4	19.6
Plus: Across the Board Cut	0.0	0.0	7.1	7.1	7.1	7.1	21.3
Plus: All other appropriations	0.0	(0.4)	0.9	0.5	0.8	0.8	2.1
Plus: Cash Fund transfers	0.0	0.3	16.5	16.7	0.0	0.0	16.7
Plus: Cash Reserve Fund transfer	0.0	0.0	3.0	3.0	0.0	0.0	3.0
Less: Change in Minimum Reserve	0.0	0.0	0.9	0.9	0.0	1.7	2.6
<b>Variance - Committee Proposed 2010 Session</b>				<b>3.7</b>			<b>(670.3)</b>

### ***Following Biennium***

While the current FY10/FY11 biennial budget is balanced at the present time, the prospects for the following biennium financial status are at best pessimistic. The current financial status (with the Committee proposed budget adjustments) yields a projected balance that is \$670 million **below** the minimum reserve. This level of shortfall is obtained even with high revenue growth (7.2% per year) arrived at using the capped historical average methodology (see page 12 ). This methodology is used in the absence of an official forecast and the high growth reflects the offsetting of the extremely low revenue growth (actual decline) over the preceeding three years.

This large budget shortfall, even with the high revenue growth utilized for planning purposes, is illustrative of the structural imbalance created with the low revenue growth over the three year period and the high amount of one-time items used to "balance" the current biennial budget. There has been much discussion of a "cliff effect" which many associate with the additional General Funds needed in the following biennium to replace the one-time ARRA funds used in the current biennium. First, replacement of ARRA funds isn't the only "cliff effect". This effect results from replacement of any one-time use of funds and there were a substantial amount of other one-time funds used in the current biennium specifically cash fund lapses and the use of the Cash Reserve Fund. Second, utilization of a one-time source of monies will almost always lead to some level of a "cliff effect" if the monies are used to fund on-going items (revenue or spending). While it's preferable that one-time funds be used for one-time items, in a significant shortfall situation this would then require offsetting cuts in on-going programs. In the current situation, the one-time monies were used to support on-going programs to possibly avoid or at least delay much deeper budget cuts. When the cliff effect occurs in the following biennium, it's possible that the the level of cuts could be lower if additional new spending demands are less than projected and/or higher revenue growth occurs over the next 3 years.

Replacement of the ARRA funds is the single largest increase in the following biennium an accounts for 39% of the total increase in the budget. This includes \$140.3 million Education Stablization funds

(TEEOSA school aid),. \$78.7 million of Medicaid federal matching rate (FMAP), and \$17 million of General Stabilization funds (used in Dept of Corrections).

The one bright spot going into the following biennium is the \$321 million Cash Reserve Fund balance that is projected to be carried forward from the current biennium into the next.

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## **Continued Decline in the Financial Status Possible**

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The financial status as discussed here is based on the February 2010 forecasts of the Nebraska Economic Forecast Advisory Board (NEFAB) for the current biennium and the capped historical average methodology for the following biennium.

In terms of the following biennium, the NEFAB will not make their first official forecast until October 2010, almost nine months from now. It's unknown what changes in the economy will occur between now and then. However, because of the high revenue growth already reflected in the financial status using the capped historical average methodology, it's more likely that the boards first official forecast will be less than the planning numbers rather than higher.

Although the Forecast Board does not forecast revenues beyond the current biennial budget, both the Nebraska Dept of Revenue (NDR) and Legislative Fiscal Office (LFO) have calculated revenue estimates for these two years. The projected "out year" numbers using the historical average methodology are at the high end of the range of projections made by the Dept of Revenue (NDR) and Legislative Fiscal Office (LFO). While the FAIR models show a slightly higher number, the projections using the Global Insight models, are substantially less than the planning numbers, roughly \$295 million less over the two years.

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## **Cash Reserve Fund**

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The Cash Reserve Fund balance is projected at \$321.7 million at the end of this biennium and the following biennium. This is based on all existing statutory transfers and assumes repayment of \$8.5 million transferred to the Water Contingency Fund in FY2007-08. The Appropriations Committee proposal includes a \$3 million transfer of Cash Reserve Funds to the General Fund to assist in covering the costs of the certified TEEOSA state aid shortfall that was only known very late in the Committee deliberations.

# General Fund Financial Status

FINANCIAL STATUS		Current Yr FY2008-09	Biennial Budget FY2009-10 FY2010-11		Est for Following Biennium FY2011-12 FY2012-13	
1	<b><u>Beginning Balance</u></b>					
2	Beginning Cash Balance	\$584,106,356	\$423,814,730	\$163,338,458	\$211,713,523	(\$140,936,564)
3	Cash Reserve Fund transfer-automatic	(116,976,571)	0	0	0	0
4	Carryover obligations from FY09 (net)	0	(201,218,375)	0	0	0
5	2010 Session Reduce FY09 reappropriations	0	91,103	0	0	0
6	Allocation for potential deficits	0	0	(5,000,000)	(5,000,000)	(5,000,000)
7	Unobligated Beginning Balance	467,129,785	222,687,458	158,338,458	206,713,523	(145,936,564)
8	<b><u>Estimated Receipts</u></b>					
9	Net Receipts (Feb 2010 NEFAB+Hist Avg)	3,350,510,248	3,281,100,000	3,405,000,000	3,668,000,000	3,962,000,000
10	Gen Fund transfer-out (prior law)	(120,200,000)	(126,050,000)	(120,700,000)	(121,700,000)	(119,200,000)
11	Gen Fund transfer-in (prior law)					
	in actual in forecast in forecast				0	0
12	Cash Reserve Fund transfers (prior law)	54,990,505	105,000,000	151,000,000	0	0
13	LB 935 Gen Fund transfers-in	0	250,000	16,459,000	0	0
14	LB 317 Cash Reserve Fund transfers	0	0	3,000,000	0	0
15	<b><u>Bills Enacted Into Law</u></b>	0	0	490,400	490,400	490,400
16	<b><u>Bills Passed</u></b>	0	0	0	0	0
17	General Fund Net Receipts	3,285,300,753	3,260,300,000	3,455,249,400	3,546,790,400	3,843,290,400
18	<b><u>Appropriations</u></b>					
19	Expenditures/Approp-2009 Special Session	3,328,615,808	3,325,296,704	3,410,654,213	3,899,171,902	4,145,911,518
20	LB 935 Mainline Midbiennium adjustments	0	(6,018,574)	(7,579,779)	(3,657,230)	1,270,239
21	LB 1106 Medicaid, school-based health cntns & new matcl	0	0	(1,200,099)	(1,074,185)	(1,074,185)
22	LB 1090 State Claims	0	370,870	0	0	0
23	General File amendments	0	0	0	0	0
24	Select File amendments	0	0	0	0	0
25	Veto-Mainline bills	0	0	0	0	0
26	Veto overrides-Mainline bills	0	0	0	0	0
27	<b><u>Bills Enacted Into Law</u></b>	0	0	0	0	0
28	<b><u>Bills Passed</u></b>	0	0	0	0	0
29	General Fund Appropriations	3,328,615,808	3,319,649,000	3,401,874,335	3,894,440,487	4,146,107,572
30	<b><u>Ending Balance</u></b>					
31	\$ Ending balance (Financial Status as Shown)	423,814,730	163,338,458	211,713,523	(140,936,564)	(448,753,736)
32	\$ Ending balance (at Minimum Reserve)	--	--	207,942,645	--	221,411,485
33	Difference = Variance from Minimum Reserve	--	--	<b>3,770,878</b>	--	<b>(670,165,221)</b>
34	Biennial Reserve (%)	--	--	3.1%	--	-5.6%
35	Annual Spending Growth (w/o deficits)	5.3%	-4.5%	2.3%	14.5%	6.5%
36	Two Year Average Growth	4.6%	--	-1.2%	--	10.4%
37	Est. Revenue Growth (rate/base adjusted)	-4.4%	-2.4%	5.2%	7.2%	7.2%
38	Two Year Average	1.3%	--	1.4%	--	7.2%

CASH RESERVE FUND	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Projected Ending Balance	578,191,863	455,191,863	321,742,863	321,742,863	321,742,863

## Cash Reserve Fund

The Cash Reserve Fund unobligated balance at the end of this biennium is projected at \$324.7 million. This is based on all existing statutory transfers and assumes repayment of \$8.5 million transferred to the Water Contingency Fund in FY2007-08.

The Appropriations Committee proposal includes a \$3 million transfer of Cash Reserve Funds to the General Fund to assist in covering the costs of the certified TEEOSA state aid shortfall that was only known very late in the Committee deliberations.

Table 1 Cash Reserve Fund

	Estimated FY2008-09	Estimated FY2009-10	Estimated FY2010-11	Estimated FY2011-12	Estimated FY2012-13
Beginning Balance	545,545,797	578,191,863	455,191,863	321,742,863	321,742,863
Excess of certified forecasts (line 3 in Status)	116,976,571	0	0	0	0
To/from Gen Fund, per current law	(54,990,505)	(105,000,000)	(151,000,000)	0	0
To Nebr Capital Construction Fund (NCCF)	(9,590,000)	0	0	0	0
To Job Training Cash Fund	(5,000,000)	0	0	0	0
To Microenterprise Development Program	(1,000,000)	0	0	0	0
To Building Entrepreneurial Communities Act	(250,000)	0	0	0	0
To/From state employee health insurance funds	0	(12,000,000)	12,000,000	0	0
To/From Water Contingency Cash Fund	0	0	8,551,000	0	0
To State Fair relocation	(5,000,000)	0	0	0	0
To Cultural Endowment fund	(1,000,000)	0	0	0	0
To Roads Operations Cash Fund	0	(5,000,000)	0	0	0
To Governors Emergency Fund	(7,500,000)	0	0	0	0
To Visitors Promotion (Special Olympics)	0	(1,000,000)	0	0	0
2010 Session Transfers	0	0	(3,000,000)	0	0
Ending Balance	578,191,863	455,191,863	321,742,863	321,742,863	321,742,863

Table 2 Cash Reserve Fund – Historical Balances

Fiscal Yr	Beginning Balance	Direct Deposit and Interest	Legislative Transfers	Cash Flow	Automatic Transfers	Ending Balance	Balance % of revenues
FY1983-84	0	37,046,760	0	0	0	37,046,760	4.7%
FY1984-85	37,046,760	(1,472,551)	0	0	0	35,574,209	4.5%
FY1985-86	35,574,209	227,855	(13,500,000)	0	0	22,302,064	2.7%
FY1986-87	22,302,064	1,428,021	0	0	0	23,730,085	2.7%
FY1987-88	23,730,085	1,654,844	(7,700,000)	0	0	17,684,929	1.7%
FY1988-89	17,684,929	139,000	32,600,000	0	0	50,423,929	4.4%
FY1989-90	50,423,929	113,114	(10,500,000)	0	0	40,037,043	3.5%
FY1990-91	40,037,043	0	(8,100,000)	0	0	31,937,043	2.3%
FY1991-92	31,937,043	0	(5,000,000)	0	0	26,937,043	1.8%
FY1992-93	26,937,043	0	(9,500,000)	0	0	17,437,043	1.1%
FY1993-94	17,437,043	0	7,250,000	0	3,063,462	27,750,505	1.7%
FY1994-95	27,750,505	0	1,250,000	0	(8,518,701)	20,481,804	1.2%
FY1995-96	20,481,804	0	18,189,565	0	(20,481,804)	18,189,565	1.0%
FY1996-97	18,189,565	0	3,032,333	0	19,740,786	40,962,684	2.0%
FY1997-98	40,962,684	0	0	0	91,621,018	132,583,702	6.3%
FY1998-99	132,583,702	0	(98,500,000)	0	111,616,422	145,700,124	6.9%
FY1999-00	145,700,124	0	(24,500,000)	0	20,959,305	142,159,429	5.9%
FY2000-01	142,159,429	0	(49,500,000)	0	77,576,670	170,236,099	6.9%
FY2001-02	170,236,099	0	(60,170,000)	0	0	110,066,099	4.7%
FY2002-03	110,066,099	66,476,446	(87,400,000)	(30,000,000)	0	59,142,545	2.4%
FY2003-04	59,142,545	59,463,461	(61,577,669)	30,000,000	0	87,028,337	3.2%
FY2004-05	87,028,337	8,170,556	(26,758,180)	0	108,727,007	177,167,720	5.8%
FY2005-06	177,167,720	0	(165,266,227)	0	261,715,297	273,616,790	8.2%
FY2006-07	273,616,790	0	(17,458,523)	0	259,929,524	516,087,791	15.1%
FY2007-08	516,087,791	0	(161,978,767)	0	191,436,773	545,545,797	15.6%
FY2008-09	545,545,797	0	(84,330,505)	0	116,976,571	578,191,863	17.3%
FY2009-10 Est	578,191,863	0	(123,000,000)	0	0	455,191,863	13.7%
FY2010-11 Est	455,191,863	0	(133,449,000)	0	0	321,742,863	9.6%
FY2011-12 Est	324,742,863	0	0	0	0	321,742,863	8.8%
FY2012-13 Est	324,742,863	0	0	0	0	321,742,863	8.2%



# Assumptions - Financial Status-Following Biennium

## Revenues

The NEFAB does not make official forecasts for the following biennium or what's commonly referred to as the "out years", FY11-12 and FY12-13). Although different methodologies could be utilized. in the current financial status, the revenue estimates used for the following biennium are derived using a "capped" historical average methodology. This "smoothing" technique derives a revenue estimate for the "out years" by calculating the level of revenues that would yield a five year average growth (FY08 to FY13) roughly equal to the historical average from FY81 to FY09 (5.2%). Inherent in this methodology is the concept that within any five-year period, below average revenue growth in some years will be offset by above average growth in others.

The capped portion means that the derived number can't result in an average growth that's higher than the average of the "above average growth years" or lower than the average of the "below average growth years". Because an average growth of 13% per year would be required to achieve a five year average of 5.2%, the capped provision is invoked and the two out-years are capped at an average 7.2%. Even with this high growth, this yields a five year average of only 2.5% per year less than half the 28 year average of 5.2%. Other methods yield lower revenue estimates as described on page 14.

### Average Adjusted General Fund Revenue Growth

Above Average Years (19)	7.2%
Below Average Years (9)	1.4%
Historical Average (28 yrs)	5.2%

## Spending

For the "following biennium" (FY2011-12 and FY2012-13), the mainline budget numbers reflect the annualized impact of the current budget actions plus an estimate of future year increases in entitlement programs, salary and health insurance increases, and other funding requirements that are normally not optional. While the actual funding needs in these areas will not be known until the biennial budget process starts again next session, some level of funding for these items must be acknowledged and shown as likely funding commitments for planning purposes. The following is a summary of the major items with a separate breakdown of the amounts necessary to replace the one-time use of ARRA funds.

Summary of Projected Increases	Biennial Budget Basis			% if Total
	FY2011-12	FY2012-13	2 Yr Total	
Replace ARRA related one-time funds	240,002,207	240,002,207	480,004,414	39.2%
TEEOSA School Aid (excluding ARRA impact)	77,172,599	182,154,055	259,326,654	21.2%
Medicaid (excluding ARRA impact)	45,414,730	94,025,282	139,440,012	11.4%
Salary and Health Insurance	39,806,740	81,739,602	121,546,341	9.9%
Retirement (Schools, Patrol, Judges)	56,215,154	56,566,154	112,781,308	9.2%
All Other	29,906,259	80,770,005	110,676,264	9.0%
Total General Fund increase (biennial basis)	488,517,689	735,257,305	1,223,774,994	100.0%
<u>Annual Percent Change</u>				
With replacement of ARRA funds	14.3%	6.3%	10.3%	
Without replacement of ARRA funds	7.3%	6.7%	7.0%	

Replacement of the ARRA funds is the single largest increase in the following biennium and accounts for 39% of the total increase in the budget. This includes \$140.3 million Education Stabilization funds (TEEOSA school aid), \$78.7 million of Medicaid federal matching rate (FMAP), and \$17 million of General Stabilization funds (used in Dept of Corrections).

Table 3 shows the individual items and assumption used in arriving at a projected budget showing projected increases on an annual basis.

Table 3 Projected Budget Increases-Following Biennium\*

		Est for Following Biennium	
Numbers are annual increases	Factor	FY2011-12	FY2012-13
<b><u>Aid to Local Govt</u></b>			
TEEOSA School Aid (excluding ARRA impact)	9.5%	77,172,599	104,981,456
Special Education	5.0%	9,244,692	9,706,927
Community Colleges	3.0%	2,697,123	2,778,036
Aid to County changes (net) LB218-2009	--	864,771	393,422
Homestead Exemption	3.0%	1,950,000	2,008,500
Aid to NRD's	--	3,000	0
Aid to ESU's	2.5%	397,189	407,118
Gov Emergency Fund (replace one-time reduction)	--	500,000	0
<b><u>Aid to Individuals</u></b>			
Medicaid (excluding ARRA impact)	7.5%	45,414,730	48,610,552
Public Assistance (excluding ARRA impact)	8.5%	21,488,935	23,264,611
Developmental Disability aid	3.0%	2,751,242	2,833,779
Behavioral Health aid	3.0%	2,262,867	2,330,753
Childrens Health Insurance (CHIP)	8.8%	1,025,050	1,101,929
<b><u>Operations</u></b>			
Retirement (Schools, Patrol, Judges)	calculated	56,215,154	351,000
Employee Salaries (includes University & St Colleges)	2.5%	24,727,360	25,345,544
Health Insurance (includes University & St Colleges)	10.0%	15,079,380	16,587,318
Operations increase	2.0%	5,707,762	5,821,917
Inmate per diem costs	6.0%	2,205,936	2,338,292
Child support enforcement, one time use of funds	calculated	1,800,000	0
Takeover county assessor	calculated	(616,540)	(616,540)
BSDC items (HHS)	calculated	(24,477,558)	0
Other (Oper)	calculated	240,218	(899)
<b><u>Replace Use of Onetime ARRA Funds</u></b>			
ARRA Education Stabilization (TEEOSA)	--	140,287,176	0
ARRA General Stabilization (Corrections)	--	17,000,000	0
ARRA Ehanced FMAP (Medicaid)	--	63,082,483	0
ARRA Unemployment Bonus FMAP (Public Assistance)	--	15,600,000	0
ARRA Child Care, FFP (Public Assistance)	--	4,032,548	0
<b><u>Construction</u></b>			
	reaffirm only	1,861,573	(1,504,100)
<b>-</b>			
Annual \$ Increase		488,517,689	246,739,616
Annual % Increase		14.3%	6.3%

## **Aid to Local Governments**

Special Education: Increases for FY11-12 and FY12-13 reflect a 5% per year increase as provided for in current law as enacted in LB1243-2000.

State Aid to Schools (TEEOSA) The estimates for FY12 and FY13 are based on the same methodology utilized for the November 15 estimates required under current law for the proposed biennial budget but with Fiscal Office assumptions and should be considered Fiscal Office estimates. They are based on LB 545 as enacted in the 2009 Session and LB 5 enacted in the 2009 Special Session. The estimates reflect a growth in total TEEOSA school aid of 8.3% in FY11-12 and 10.4% in FY12-13. The growth in General Funds amounts to 27.9% in FY12 reflecting the replacement of the \$149.9 million of ARRA Education Stabilization funds used in the FY11 budget.

*THE IMPACT OF THE MARCH CERTIFICATION IS NOT INCLUDED IN THE NUMBERS HERE.* That impact on FY10-11 and subsequent impact on FY11-12 and FY12-13 are shown separately with all the impacts of 2010 budget actions.

Aid to ESU's The amount of aid to ESU's is based on funding of a certain level of core services and technology infrastructure. Growth in aid is set at the same rate as the basic allowable growth rate under the school spending limitation (2.5% per year).

Aid to Community Colleges A basic 3% per year annual increase is included for the following biennium budget. This increase amounts to about a \$2.8 million per year increase.

Homestead Exemption A 3% per year annual increase is included for the following biennium budget reflecting some level of inflationary increases.

Aid to County (net change under LB218-2009) Prior to FY2011-12 there were three aid programs from which counties receive assistance, general aid to counties program in the State Treasurer's budget, the County Property Tax Relief program budgeted under the Dept of Revenue and the county jail reimbursement program under the Dept of Correctional Services. LB218 passed in the 2009 Session, eliminated these three programs starting July 1, 2011, and replaces them with a new aid program based solely on the share of statewide taxable value found in each county. The level of funding for the new county aid program is derived by multiplying a percentage which ranges from 0.0075% to 0.0125% times the total real and personal property valuation of all counties. Each county will receive \$30,000, while the remaining funding will be distributed based on each county's percentage of the total valuation of all counties. The increase shown here is based on the difference between the existing aid amounts and an estimated amount per LB218.

## **Aid to Individuals**

Medicaid For the following biennium, a 7.5% per year increase is used. This approximates the average growth over the past 10 years. The growth in General Funds in FY12 is 24% reflecting the replacement of the \$63.0 million of ARRA enhanced FMAP funds used in the FY11 budget.

Public Assistance A growth rate of 8.5% per year is utilized for the various Public Assistance programs for the following biennium. This approximates the average growth over the past 10 years. . The growth in General Funds in FY12 is 10.2% reflecting the replacement of the \$4.0 million of ARRA enhanced FFP and Child Care funds used in the FY11 budget.

Children's Health Insurance (CHIP) For the following biennium, a 7.5% per year increase is used which is the same as Medicaid. However the growth in General Funds is closer to 9% as the General Fund would pick up all increases in this program because the \$5 million allocation from the Health Care Cash Fund is a fixed amount.

Developmental Disability Aid A 3% per year increase is included. This provides the equivalent of 2.5% per year for rate equity similar to the employee salary assumption and .5% for clients transitioning from K-12 programs. As this projected budget assumes no expanded programs, nothing is assumed for funding of the waiting list.

Behavioral Health Aid. This area includes substance abuse and mental health aid. The increases in the following biennium reflect a 3% increase to reflect some annual increase in provider rates.

## **Agency Operations / Construction**

Employee Salary Increases Although salary increases will be the result of bargaining, some level of increase is factored in more for illustration than planning purposes. A 2.5% per year increase is included which approximates inflation and the current biennium funding.

Employee Health Insurance For planning purposes, a 10% per year increase in health insurance is included for the following biennium. This rate of growth is similar with the increases in the current proposed budget as well as the average growth over the past 5 to 10 years.

Operations Inflation Included in the projected status is an across the board 2% increase in agency non-personnel operating costs.

Inmate Per Diem Costs While some costs at the Dept of Correctional Services such as staffing are "fixed" within a range of inmate population, some costs change directly with each inmate. This includes items such as food, clothing, and medical care. A 6% per year increase is included to reflect both inflationary costs and an increase in the number of inmates.

BSDC recertification (HHS) This projection assumes a re-certification of BSDC and restoration of federal funds for the institution allowing for deletion of the \$25 million supplemental funding in FY11.

Replace ARRA funds, Corrections The budget for the Dept of Correctional Services uses ARRA general stabilization funds of \$25 million in FY10 and \$17 million in FY11. The FY12 projected budget restores general funds to replace the use of the \$17 million.

Retirement (defined benefit plans) Shortfalls in defined benefit and cash balance retirement plans were projected at \$33.9 million in FY11, \$87.3 million in FY12, and \$131.7 in FY13. The increases here

reflect the annual increases to achieve these funding levels adjusted for the contribution changes enacted during the 2009 Session.

Capital Construction General Fund dollars included in the projected budget for the following biennium for capital construction reflect reaffirmations only based on the proposed FY10/FY11 biennial budget. These are dollar amounts needed to complete funding of previously approved projects.

# General Fund Revenues

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## Revenue Forecasts

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The FY08-09 actual receipts of -4.4% reflected the lowest adjusted revenue growth since calculations were made back to 1982. The FY09 actual receipts were \$149 million below the prior year (FY2007-08), \$51 million below two years ago (FY2006-07) and only \$5 million higher than receipts three years ago (FY2005-06).

**October 2009** The lower than projected FY08-09 receipts, the below forecast receipts in the first three months of FY09-10 and the lower estimates provided by the Dept of Revenue and Legislative Fiscal Office resulted in the Forecast Board reducing their revenue forecasts at their regularly scheduled October 2009 meeting by \$123 million in FY09-10 and \$172 million in FY10-11. These revised forecasts result in an adjusted growth of negative -1.3% in FY09-10 but rebounding to 4% (still below average) in FY10-11. Extending the lower revenue base into the out year estimates for FY11-12 and FY12-13 resulted in significantly lower revenue numbers for those two years as compared to the Sine Die planning numbers, \$177 million in FY2011-12 and \$180 million in FY2012-13.

**February 2010** In February 2010 the NEFAB met to review and possibly revise their forecasts. With lower estimates provided by the Dept of Revenue (NDE) and Legislative Fiscal Office (LFO) and FY09-10 year to date receipts being \$34 million below projected, the NEFAB lowered their FY2009-10 forecast by \$40.2 million. However for FY2010-11 both NDE and LFO forecasts were higher than the NEFAB October forecast. For this fiscal year the NEFAB increased the forecast by \$8.6 million resulting in a two year net reduction of \$31.7 million. The lower FY2009-10 forecast results in a negative adjusted "growth" of -2.4%. Adjusted growth calculated from the FY2010-11 forecast is +5.2%. This 5.2% growth is higher than the calculated growth rate in October, but is more the result of the \$40.2 million decline in the prior year (FY10) rather than the \$8.6 million increase in FY11.

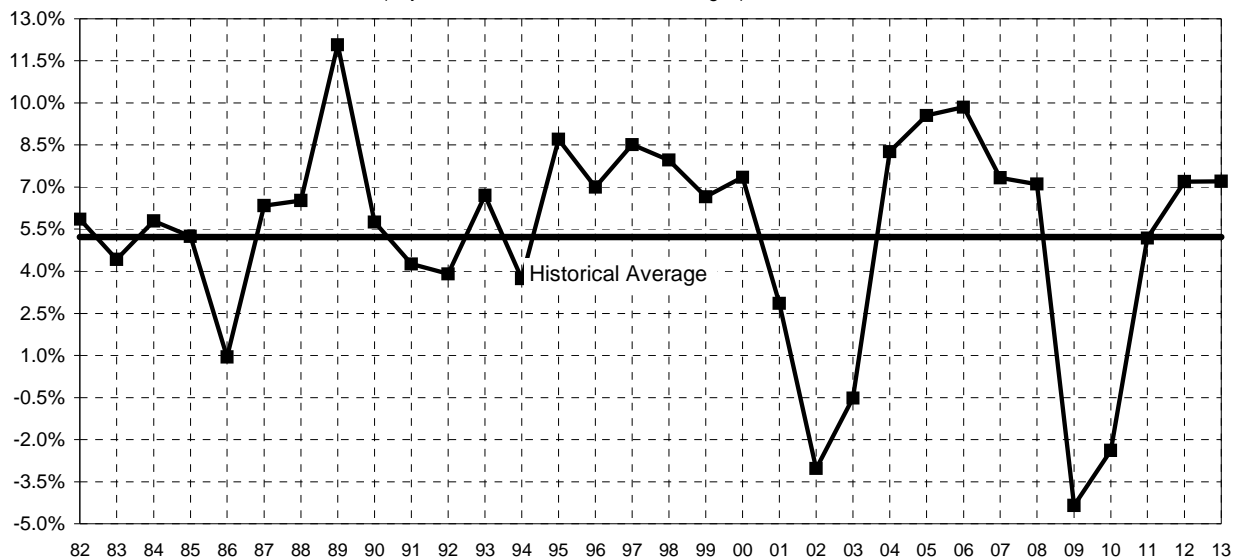
**Following Biennium – Historical Average Methodology** The NEFAB does not make official forecasts for the following biennium or what's commonly referred to as the "out years". Although different methodologies could be utilized, the revenue estimates used for the following biennium (FY11-12 and FY12-13) in the current financial status are derived using a "capped" historical average methodology. This smoothing technique derives "out year" revenue estimates by calculating the level of revenues that would yield a five year average growth (FY08 to FY13) roughly equal to the 28 year historical average (5.2%). Inherent in this methodology is the concept that within any five-year period, below average revenue growth in some years will be offset by above average growth in others and is visually seen in the line graph of historical adjusted revenue growth. The "capped" provision of this methodology means that if the derived growth needed in the out-years to achieve the historical average is higher than the "above average" years, the growth is then capped at the average of the "above average years". Likewise if the historical average method calls for below average growth in the out years, the growth is capped at the average of the "below average years".

Estimates for the following biennium, using the capped historical average methodology, average 7.2%. Because of the extremely low growth in the first three years, the growth needed to achieve a five year 5.2% average was well above the cap level. Therefore, the capped growth in the following biennium yields a 5 year average of 2.6%, about half the 5.2% historical average.

Table 4 - General Fund Revenue Forecasts

<i>Revenue Estimates Used in Financial Status</i>	Actual FY2008-09	NEFAB FY2009-10	NEFAB FY2010-11	LFO Prelim FY2011-12	LFO Prelim FY2012-13
<b>Actual/Forecast</b>					
Sales and Use Tax	1,326,161,017	1,310,000,000	1,365,000,000	1,458,000,000	1,556,000,000
Individual Income Tax	1,600,418,236	1,561,100,000	1,630,000,000	1,806,000,000	1,981,000,000
Corporate Income Tax	198,483,786	159,000,000	185,000,000	213,000,000	238,000,000
Miscellaneous receipts	232,405,148	251,000,000	225,000,000	191,000,000	187,000,000
Total Gen Fund Revenues	3,357,468,187	3,281,100,000	3,405,000,000	3,668,000,000	3,962,000,000
<b>Adjusted Growth</b>					
Total Gen Fund Revenues	-4.4%	-2.4%	5.2%	7.2%	7.2%
Five Yr Average	--	--	--	--	2.4%

**General Fund Adjusted Revenue Growth**  
(Adjusted for Tax Rate and Base Changes)



**Following Biennium – Alternatives** As noted above, other alternative methods are available for purposes of deriving revenue estimates for the following biennium. In addition to the historical average methodology used in the financial status, both the Nebraska Dept of Revenue (NDR) and Legislative Fiscal Office (LFO) have calculated revenue estimates for these two “out years” using the same models and input from Global Insight, the national forecasting service used as input into the tax forecast models. While these forecasts work well for the 1 to 3 year forecasts, when extended further they have a tendency to flatten out and follow the 3 year trend into the 4<sup>th</sup> and 5<sup>th</sup> year. In other words, they have difficulty picking up changes in the trend. The historical average methodology, the method used since 1991 and used in the current financial status, utilizes a smoothing technique which derives a

revenue growth for the "out years" by calculating the level of revenues that would yield a five year average growth (FY04 to FY09) roughly equal to the historical average from FY81 to FY07 (currently 5.4%).

As shown in Table 5, the preliminary estimates for the two "out years" arrived at using the historical average concept (as used in the Financial Status), are significantly higher than the model estimates. Forecasts using Global Insight input are much lower reflecting a continued much lower growth specifically in FY2009-10. The FAIR based forecasts are much higher than the Global Insight forecasts and in fact somewhat higher than the "historical average" based estimates.

Table 5 - Comparison of "Out Year" Forecasts

<b>Based on Feb 2010 Revenue Forecasts</b>	Current Status	Average Global Insight	Average All Forecasts	High Est LFO-Fair	Low Est LFO-Global
<b><u>Dollar Forecast (thousands)</u></b>					
FY2008-09 Actual	3,357,468	3,357,468	3,357,468	3,357,468	3,357,468
FY2009-10 NEFAB	3,281,100	3,281,100	3,281,100	3,281,100	3,281,100
FY2010-11 NEFAB	3,405,000	3,405,000	3,405,000	3,405,000	3,405,000
FY2011-12 Prelim	3,668,000	3,582,560	3,644,154	3,711,044	3,553,261
FY2012-13 Prelim	3,962,000	3,752,843	3,850,711	3,968,119	3,712,183
<b><u>Calculated Growth (adjusted)</u></b>					
FY2008-09 Actual	-4.4%	-4.4%	-4.4%	-4.4%	-4.4%
FY2009-10 NEFAB	-2.4%	-2.4%	-2.4%	-2.4%	-2.4%
FY2010-11 NEFAB	5.2%	5.2%	5.2%	5.2%	5.2%
FY2011-12 Prelim	7.2%	4.9%	6.6%	8.3%	4.1%
FY2012-13 Prelim	7.2%	4.2%	5.1%	6.2%	4.0%
Two Year Average (Prelim)	7.2%	4.6%	5.8%	7.3%	4.0%
Five Year Average	<b>2.5%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.6%</b>	<b>1.3%</b>
<b><u>\$ Difference from Status</u></b>					
FY2011-12	0	(85,440)	(23,847)	43,044	(114,739)
FY2012-13	0	(209,157)	(111,289)	6,119	(249,817)
Cumulative Total	0	(294,597)	(135,135)	49,163	(364,556)

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## General Fund Transfers-Out

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This section tabulates funds that are transferred from the General Fund to another fund within the state treasury. These items have the same affect as an appropriation but are not expended as such and thus are shown under the revenue category on the Financial Status. The amounts shown reflect the transfers-out as enacted during the 2009 legislative session and a projection into the next biennium based on either statute or intent. The property tax credits, are continued into the next biennium at the \$113 million level which when investment income is counted achieves a credit amount of \$115 million per year.



Table 6 General Fund Transfers-Out

	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Ethanol Credits (EPIC Fund)	(2,500,000)	(10,750,000)	(5,500,000)	(2,500,000)	0
Property Tax Credit Fund	(115,000,000)	(112,000,000)	(112,000,000)	(115,000,000)	(115,000,000)
Water Resources Cash Fund	(2,700,000)	(2,700,000)	(2,700,000)	(2,700,000)	(2,700,000)
Cultural Preservation Endowment Fund	CRF	(500,000)	(500,000)	(1,500,000)	(1,500,000)
Biopower Steering Committee, plan	0	(100,000)	0	0	0
General Fund Transfers-Out (in Status)	(120,200,000)	(126,050,000)	(120,700,000)	(121,700,000)	(119,200,000)
None included in the financial status	0	0	0	0	0
Total-General Fund Transfers-Out	(120,200,000)	(126,050,000)	(120,700,000)	(121,700,000)	(119,200,000)

## General Fund Transfers-In

Cash funds are funds which contain earmarked revenue sources and monies in those funds can only be used for the purposes authorized by statute. In many instances (since the 2009 special session) an authorized use of monies in a cash fund is transfers to the General Fund at the discretion of the Legislature. For accounting purposes, these are shown as "Transfers in" and are included as revenues. The transfers shown below, enacted in the 2009 regular and special sessions are already incorporated into the "Net Receipts" figures of the NEFAB forecasts.

The Appropriations Committee proposal includes four additional transfers: \$12,500,000 from the Securities Act Cash Fund, \$2,500,000 from the Dept of Insurance Cash Fund, \$100,000 from the Clerk of the Legislature Cash Fund, and \$1,609,000 from ,the Affordable Housing Trust Fund to cover the Homestead Exemption deficit.

Table 7 General Fund Transfers-In

	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Securities Act Cash Fund	19,000,000	24,000,000	25,000,000	0	0
Tobacco Products Admin Cash Fund	12,000,000	7,500,000	7,500,000	0	0
Dept of Insurance Cash Fund	3,000,000	9,000,000	9,000,000	0	0
Collection Agency Cash Fund	0	250,000	0	0	0
Charitable Gaming Oper Fund	0	806,734	366,817	0	0
Uniform Commercial Code Cash Fund	0	1,250,000	0	0	0
Resource Recovery Cash Fund	0	150,000	0	0	0
Corporation Cash Fund	0	500,000	0	0	0
Dept of Motor Vehicles Cash Fund	0	1,174,344	328,407	0	0
Waste Reduction and /Recycling Incentive	0	1,608,863	1,517,501	0	0
Workers Comp Cash Fund	0	1,000,000	1,000,000	0	0
Game & Parks Recreation Road Fund	0	378,306	1,064,006	0	0
HHS Professional & Occupational Credentialing	0	126,959	258,672	0	0
Education Innovation Fund	0	to University	0	0	0
Educational Savings Plan Administrative Fund	0	1,250,000	0	0	0
Enhanced Wireless 911 Fund	0	3,400,000	0	0	0
Health and Human Services Cash Fund	0	3,419,720	2,559,140	0	0
Nebraska Capital Construction Fund (NCCF)	0	4,574,466	0	0	0
Job Training Cash Fund	0	5,000,000	0	0	0

	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Property Assessment Division Cash Fund	0	1,250,000	1,000,000	0	0
State Patrol Carrier Enforcement Fund	0	446,890	459,035	0	0
Nebr Outdoor Recreation & Develop (NORDA)	0	378,307	1,064,007	0	0
Commercial Feed Administration Cash Fund	0	650,000	0	0	0
Motor Fuel Tax Enforcement and Collection	0	859,798	0	0	0
Supreme Court Automation Cash Fund	0	0	201,502	0	0
Probation Program Cash Fund	0	0	479,572	0	0
Dept of Natural Resources (7 different funds)	0	148,602	297,205	0	0
Secretary of State (5 cash funds)	0	122,217	221,415	0	0
Fire Marshal (3 cash funds)	0	440,995	85,144	0	0
DEQ Livestock Waste Management Cash Fund	0	200,000	100,000	0	0
Commission on Public Advocacy Cash Fund	0	230,000	230,000	0	0
Electrical Board Cash Fund	0	160,430	203,396	0	0
Engineers and Architects Regulation Fund	0	169,464	39,745	0	0
State Athletic Commissioner's Cash Fund	0	300,000	0	0	0
Other 2009 SS lapses (89 funds, 46 agencies)	0	2,013,905	2,680,436	0	0
Transfers Already in Revenue Forecast	34,000,000	72,760,000	55,656,000	0	0
Securities Act Cash Fund	0	250,000	12,250,000	0	0
Dept of Insurance Cash Fund	0	0	2,500,000	0	0
Affordable Housing Trust	0	0	1,609,000	0	0
Clerk of the Legislature Cash Fund	0	0	100,000	0	0
2008 Session Transfers	0	250,000	3,593,000	0	0
Total-General Fund Transfers-Out	34,000,000	73,010,000	59,615,000	0	0

# General Fund Appropriations

The financial status shown in Section II includes the Appropriations Committee budget recommendations for current year deficits (FY2009-10) and adjustments for FY2010-11, the second year of the biennial budget. A complete listing of these General Fund adjustments (excluding shifts between programs) is shown in Table 8. The amount of mid-biennium budget adjustments in the Committee budget reduces FY09-10 and FY10-11 General Fund appropriations by a total of \$14.4 million over the two year period.

<b>FY2008-09</b>	Operations	State Aid	Construction	Total
<b>Total Per 2008 Session</b>	1,221,489,217	2,251,864,442	8,238,322	3,481,591,981
First Special Session costs	68,761	0	0	68,761
<b>Total Per 2008 First Special Session</b>	1,221,557,978	2,251,864,442	8,238,322	3,481,660,742
2009 Session Deficits	12,986,101	(144,583,489)	0	(131,597,388)
2009 Session State Claims	896,937	0	0	896,937
2009 Session "A" bills	0	0	0	0
<b>Final Appropriation per 2009 Session</b>	1,235,441,016	2,107,280,953	8,238,322	3,350,960,291
<b>FY2009-10</b>	Operations	State Aid	Construction	Total
<b>Total Per 2009 Session (excludes deficits)</b>	1,251,181,021	2,114,511,089	15,172,233	3,380,864,343
2009 Special Session Actions	(40,653,033)	(13,914,606)	(1,000,000)	(55,567,639)
<b>Total Per 2009 Special Session</b>	1,210,527,988	2,100,596,483	14,172,233	3,325,296,704
2010 Session-Legislature	0	(6,018,574)	0	(6,018,574)
2010 Session-State Claims	370,870	0	0	370,870
2010 Session-Floor Actions	0	0	0	0
2010 Session-Governor Vetoes	0	0	0	0
2010 Session-Veto Overrides	0	0	0	0
2010 Session "A" bills	0	0	0	0
2010 Session - Deficits	370,870	(6,018,574)	0	(5,647,704)
<b>Final Appropriation with deficits</b>	1,210,898,858	2,094,577,909	14,172,233	3,319,649,000
Change over prior year (excluding deficits)				
Dollar	(11,029,990)	(151,267,959)	5,933,911	(156,364,038)
Percent	-0.9%	-6.7%	72.0%	-4.5%
<b>FY2010-11</b>	Operations	State Aid	Construction	Total
<b>Total Per 2009 Session</b>	1,314,986,683	2,229,491,973	14,652,233	3,559,130,889
2009 Special Session Actions	(55,585,666)	(91,891,010)	(1,000,000)	(148,476,676)
<b>Total Per 2009 Special Session</b>	1,259,401,017	2,137,600,963	13,652,233	3,410,654,213
2010 Session-Committee Proposed	(5,973,151)	(2,956,727)	150,000	(8,779,878)
2010 Session-Floor Actions	0	0	0	0
2010 Session-Mainline Governor Vetoes	0	0	0	0
2010 Session-Mainline Veto Overrides	0	0	0	0
2010 Session "A" bills	0	0	0	0
Post 2010 Session	0	0	0	0
2010 Session - Midbiennium Adjustments	(5,973,151)	(2,956,727)	150,000	(8,779,878)
<b>Total Per 2010 Session</b>	1,253,427,866	2,134,644,236	13,802,233	3,401,874,335
Change over prior year (excluding deficits)				
Dollar	42,899,878	34,047,753	(370,000)	76,577,631
Percent	3.5%	1.6%	-2.6%	2.3%
Two Year Avg Growth (excluding deficits)	1.3%	-2.6%	29.4%	-1.2%

Table 8 General Fund Budget Adjustments – 2010 Session

		Appropriations Committee Proposed		
		FY2009-10	FY2010-119	Two Yr total
1	<b><u>INCREASES:</u></b>			
2	TEEOSA Aid to Schools-to certified aid level	0	15,186,427	15,186,427
3	Homestead exemption	3,609,000	0	3,609,000
4	Replace onetime use of cash, Rural Health Professionl Incentives	0	300,000	300,000
5	State Claims	370,870	0	370,870
6	Defined benefit retirement plans	0	48,674	48,674
7	Subtotal-Increases	3,979,870	15,535,101	19,466,297
8	<b><u>REDUCTIONS:</u></b>			
9	ARRA clawback payment reduction (Medicaid)	(8,100,000)	(10,600,000)	(18,700,000)
10	Recapture, costs for prenatal services to unborn children (Medicaid)	(1,527,574)	(5,338,013)	(6,865,587)
11	LB 1106 Medicaid, school-based health centers and new match	0	(1,200,099)	(1,200,099)
12	2% Across the Board Cut - Operations	0	(5,791,825)	(5,791,825)
13	2% Across the Board Cut - State Aid	0	(1,305,042)	(1,305,042)
14	Salary savings, court system	0	(80,000)	(80,000)
15	Subtotal-Reductions	(9,627,574)	(24,314,979)	(33,942,553)
16	<b><u>GENERAL FUND NEW APPROPRIATIONS</u></b>	(5,647,704)	(8,779,878)	(14,427,582)

**Table 9 Summary of FY2010-11 General Fund Budget**

	w/o Deficits FY2009-10	Total Per 2009 Spec Sess FY2010-11	2010 Session Changes FY2010-11	Revised Total FY2010-11	Change over Prior Yr FY2010-11 (w/o deficits) \$ %	2 Yr Avg Change	% of Total FY10-11
<b><u>AGENCY OPERATIONS</u></b>							
University/Colleges	527,816,350	540,090,076	0	540,090,076	12,273,726 2.3%	0.2%	15.7%
Health & Human Services System	244,381,736	254,721,769	(1,812,192)	252,909,577	8,527,841 3.5%	6.1%	7.3%
Correctional Services	120,145,021	142,575,132	0	142,575,132	22,430,111 18.7%	-2.0%	4.0%
Courts	69,386,261	71,328,393	(1,064,352)	70,264,041	877,780 1.3%	1.7%	2.0%
State Patrol	54,313,186	55,899,726	(8,235)	55,891,491	1,578,305 2.9%	2.8%	1.6%
Revenue	28,801,138	27,587,352	(548,050)	27,039,302	(1,761,836) -6.1%	-4.5%	0.8%
Retirement Board	25,589,490	27,371,336	48,674	27,420,010	1,830,520 7.2%	18.7%	1.3%
Other 39 Agencies	140,094,806	139,827,233	(2,588,996)	137,238,237	(2,856,569) -2.0%	-1.3%	4.1%
Total-GF Operations	1,210,527,988	1,259,401,017	(5,973,151)	1,253,427,866	42,899,878 3.5%	1.3%	36.9%
<b><u>STATE AID TO INDIVIDUALS</u></b>							
Medicaid	445,306,457	507,644,000	(17,299,695)	490,344,305	45,037,848 10.1%	-8.9%	15.2%
Public Assistance	236,346,958	246,964,986	0	246,964,986	10,618,028 4.5%	1.1%	7.0%
Developmental disabilities aid	83,269,149	90,573,431	0	90,573,431	7,304,282 8.8%	12.8%	2.6%
Behavioral Health aid	74,225,354	74,721,481	0	74,721,481	496,127 0.7%	3.9%	2.1%
Childrens Health Insurance (CHIP)	9,125,708	11,559,015	161,583	11,720,598	2,594,890 28.4%	-0.2%	0.3%
Aging Programs	7,918,808	7,999,438	0	7,999,438	80,630 1.0%	1.8%	0.2%
Higher Ed Student Aid programs	6,908,351	6,994,389	(130,983)	6,863,406	(44,945) -0.7%	0.2%	0.2%
Public Health Aid	4,786,648	4,807,372	0	4,807,372	20,724 0.4%	8.0%	0.1%
Community health centers	3,806,575	3,867,394	0	3,867,394	60,819 1.6%	4.7%	0.1%
All Other Aid to Individuals/Other	8,562,935	8,489,820	202,157	8,691,977	129,042 1.5%	-0.8%	0.2%
Total-GF Aid to Individuals/Other	880,256,943	963,621,326	(17,066,938)	946,554,388	66,297,445 7.5%	-3.5%	28.1%
<b><u>STATE AID TO LOCAL GOVT</u></b>							
State Aid to Schools (TEEOSA)	824,960,159	778,529,472	15,186,427	793,715,899	(31,244,260) -3.8%	-1.8%	23.2%
Special Education	184,893,842	184,893,842	0	184,893,842	0 0.0%	0.0%	5.2%
Aid to Community Colleges	86,966,256	86,758,025	0	86,758,025	(208,231) -0.2%	-0.3%	2.5%
Homestead Exemption	62,250,000	65,000,000	0	65,000,000	2,750,000 4.4%	-7.6%	1.8%
Aid to ESU's	15,887,570	15,093,191	(301,864)	14,791,327	(1,096,243) -6.9%	-4.1%	0.4%
Aid to Cities	11,482,763	11,188,333	(223,767)	10,964,566	(518,197) -4.5%	-1.3%	0.3%
Aid to Counties	4,841,719	4,717,573	(94,351)	4,623,222	(218,497) -4.5%	-3.5%	0.1%
County jail cost reimbursement	3,812,250	3,714,500	(74,290)	3,640,210	(172,040) -4.5%	-3.5%	0.1%
Early Childhood programs	3,604,328	3,434,655	(68,693)	3,365,962	(238,366) -6.6%	-3.5%	0.1%
Other Aid to Local Govt	21,640,653	20,650,046	(313,251)	20,336,795	(1,303,858) -6.0%	-8.7%	0.6%
Total-GF Aid to Local Govt	1,220,339,540	1,173,979,637	14,110,211	1,188,089,848	(32,249,692) -2.6%	-2.0%	34.5%
<b><u>CAPITAL CONSTRUCTION</u></b>	14,172,233	13,652,233	150,000	13,802,233	(370,000) -2.6%	29.4%	0.4%
<b><u>TOTAL GENERAL FUNDS</u></b>	3,325,296,704	3,410,654,213	(8,779,878)	3,401,874,335	76,577,631 2.3%	-1.2%	100.0%

# Significant General Fund Items

## TEEOSA School Aid

The Committee proposal includes an additional \$15.2 million General Funds to fully fund the FY2010-11 aid certification. Overall aid for FY2010-11 amounts to \$947.2 million which is a \$13.3 million or 1.4% increase over the prior year. Excluding the amount funded with Insurance Premium Tax (\$13.2 million) and ARRA Education Stabilization Funds (\$140.3 million) the FY2010-11 General Funded amount is \$793.7 million which is a \$31 million, -3.8% reduction. This reduction is due to the ARRA funds going from \$93.7 million in FY10 to the \$140.3 million level in FY11.

THESE FIGURES ARE BASED ON THE CERTIFICATION POSTED ON THE DEPT OF EDUCATION WEBSITE ON MARCH 5, 2010.

For information purposes, the following three provide a chronology of TEEOSA estimates since Sine Die 2009, details of the various components that go into the TEEOSA aid calculation, and lastly historical amounts for TEEOSA aid since the implementation LB1059 in FY90-91.

<b>Chronology of TEEOSA Estimates</b>	<b>Actual FY2009-10</b>	<b>3/5/10 Actual FY2010-11</b>	<b>Estimated FY2011-12</b>	<b>Estimated FY2012-13</b>
<b><i>Sine Die 2009</i></b>	<b><i>933,850,727</i></b>	<b><i>981,275,343</i></b>	<b><i>1,061,194,392</i></b>	<b><i>1,121,009,214</i></b>
Spending growth, FY09 to 6.49%, FY10 to 4.4%	0	10,407,756	(6,074,232)	(6,377,944)
2009 valuation from 3.5% to 5.71%	0	(37,155,858)	(38,456,313)	(40,571,410)
Valuation; 2010 (3.5% to 2.5%), 2011 (5.5% to 3.5%)	0	0	14,435,781	44,823,100
Change factor, yield from LER used in formula	0	11,405,245	11,690,376	12,099,539
Revise system averaging adjustment	0	(203,412)	(212,362)	(222,980)
Revise student growth adjustment	0	1,461,662	1,525,975	1,602,274
Revise new school adjustment	0	2,908,774	4,200,000	4,410,000
Revise formula NEEDS stablization	0	(11,811,220)	(12,330,914)	(12,947,459)
New learning community transport adjustment	0	1,500,000	1,566,000	1,644,300
Change in NEEDS lost in basic funding calculation	0	4,400,000	4,593,600	4,823,280
Other misc changes/adjustments	0	1,012,417	777,512	835,486
Total Change	0	(16,074,636)	(18,284,577)	10,118,186
<b><i>October 2009 Joint Meeting</i></b>	<b><i>933,850,727</i></b>	<b><i>965,200,707</i></b>	<b><i>1,042,909,815</i></b>	<b><i>1,131,127,400</i></b>
LB 5 Cost Growth Factor, FY11 allowable growth to .25%	0	(15,706,275)	(17,165,661)	0
LB 5 Teacher Education to allowance rather than adjustment	0	(16,224,906)	(16,224,906)	(16,288,447)
LB 5 Reduce Income tax by \$20 million, FY11 aid only	0	(1,252,878)	0	0
Total Change	0	(33,184,059)	(33,390,567)	(16,288,447)
<b><i>November 2009 Special Session</i></b>	<b><i>933,850,727</i></b>	<b><i>932,016,648</i></b>	<b><i>1,009,519,248</i></b>	<b><i>1,114,838,953</i></b>
Actual FY09 AFR, lower disbursement growth (5.6% vs 6.5%)	0	(23,669,656)	(24,711,121)	(25,946,677)
Actual FY09 AFR, lower adjustments to achieve GFOE	0	4,862,086	2,088,832	2,193,273
Actual FY09 AFR, lower "Other Receipts"	0	10,823,174	6,096,214	11,622,742
Higher NEEDS stabilization	0	15,108,236	15,772,998	15,772,998
Lower poverty/LEP corrections	0	4,886,724	5,101,740	5,356,827
Lower Local Choice adjustment	0	3,794,169	3,961,113	4,159,169
Lower new school adjustment	0	(929,698)	0	0
Lower yield from local effort rate	0	4,542,825	4,706,515	4,871,243
Higher Minimum levy adjustment	0	(3,815,178)	(3,815,178)	(3,815,178)
All Other	0	(416,255)	330,891	245,077
Total Change	0	15,186,428	9,532,004	14,459,475
<b><i>March 5, 2010 (FY11 aid certification)</i></b>	<b><i>933,850,727</i></b>	<b><i>947,203,076</i></b>	<b><i>1,019,051,252</i></b>	<b><i>1,129,298,428</i></b>

<b>TEEOSA AID ESTIMATES</b>	Certified FY2008-09	Certified FY2009-10	Prelim Cert FY2010-11	Est Aid FY2011-12	Est Aid FY2012-13
AFR Data Year	Actual 06-07	Actual 07-08	Actual 08-09	Est 09-10	Est 10-11
Property Valuation Year	2007 actual	2008 actual	2009 actual	2010 est	2011 est
<b>Key Assumptions</b>					
School Disbursements	6.01%	5.42%	5.63%	4.40%	5.00%
Gen Fund Operating Expenditures (GFOE)	5.2%	5.2%	5.6%	4.4%	5.0%
Property Valuations (assessed)	5.5%	5.8%	5.7%	2.50%	3.5%
Cost Growth Factor	6.00%	5.50%	3.75%	3.25%	4.50%
Local Effort Rate	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Adjusted GF Operating Expenditures	2,084,314,436	2,105,833,612	2,164,690,327	2,254,448,921	2,412,421,464
Lost to Basic Funding Calculation	(12,460,342)	(17,529,066)	(14,462,726)	(15,099,086)	(15,854,040)
Basic Funding	2,071,854,094	2,088,304,546	2,150,227,601	2,239,349,835	2,396,567,424
Transportation Allowance	41,935,001	51,141,071	55,706,376	56,755,202	59,592,962
Special Education Allowance	177,329,966	180,911,697	188,176,415	189,733,751	189,703,052
Distance Ed & Telecomm Allowance	3,785,994	6,051,679	5,899,838	6,159,431	6,467,402
Poverty Allowance	63,043,393	75,804,111	85,641,661	89,409,894	93,880,389
Limited English Proficiency Allowance	34,705,494	37,421,837	40,158,230	41,925,192	44,021,452
Elementary Class Size Allowance	63,902,060	100,536,264	96,375,887	100,616,426	105,647,247
Elementary Site Allowance	12,615,237	7,040,043	3,954,882	4,128,897	4,335,342
Summer School Allowance	6,566,914	11,867,466	14,283,495	14,911,969	15,657,567
Teacher Education Allowance	0	0	24,995,151	26,094,938	27,399,685
Instructional time allowance	0	29,497,036	25,659,633	26,788,657	28,128,090
System Averaging Adjustment	32,621,579	80,008,551	76,691,487	80,065,912	69,565,912
Teacher Education Adjustment	23,960,540	23,991,065	to Allowance	0	0
Local Choice Adjustment	(10,064,809)	(7,027,681)	(3,689,608)	(3,851,951)	(4,044,548)
New learning community transport adjustment	0	0	1,472,000	1,536,768	1,613,606
Student growth adjustment	0	8,896,539	11,193,492	11,686,006	12,270,306
New school adjustment	0	6,582,451	8,470,302	9,000,000	9,450,000
NEED stabilization provisions	1,134,266	10,281,942	27,108,236	28,300,998	28,300,998
Poverty / LEP Corrections	na	(5,264,655)	(719,607)	(751,270)	(788,833)
<b>Total Formula Need</b>	2,523,389,730	2,706,043,962	2,811,605,471	2,921,860,655	3,087,768,053
Effective Yield from Local Effort Rate	1,272,897,946	1,358,880,880	1,426,148,847	1,460,537,865	1,513,542,332
Net Option Funding	60,282,834	60,280,316	62,330,754	65,073,307	68,326,973
Allocated Income Tax	22,006,982	42,009,501	19,959,063	37,216,510	33,962,844
Other Actual Receipts	412,053,352	413,898,102	424,433,932	429,290,141	431,945,896
Minimum Levy Adjustment	6,200,414	8,741,245	12,556,423	12,556,423	12,556,423
Retirement Aid	na	15,000,000	15,000,000	15,000,000	15,000,000
<b>Total Formula Resources</b>	1,773,441,528	1,898,810,043	1,960,429,019	2,019,674,246	2,075,334,469
Calculated Equalization Aid	749,948,202	807,233,919	851,176,452	902,186,409	1,012,433,585
Net Option Funding	60,282,834	60,280,316	62,330,754	65,073,307	68,326,973
Allocated Income Tax	22,006,982	42,009,501	19,959,063	37,216,510	33,962,844
Stabilization Factor	6,573,376	9,893,804	0	0	0
Non Equalized Levy Adjustment	(227,356)	(566,813)	(424,974)	(424,974)	(424,974)
Reorganization Incentive payments	834,516	0	0	0	0
Prior yr deficiencies/negative balances	(27,973)	0	(838,219)	0	0
Retirement Aid	na	15,000,000	15,000,000	15,000,000	15,000,000
<b>TEEOSA State Aid</b>	839,390,581	933,850,727	947,203,076	1,019,051,252	1,129,298,428
State General Funds	825,056,857	824,934,868	793,715,900	1,005,521,252	1,115,430,178
Insurance Premium Tax (w/o deficit)	14,333,724	15,247,109	13,200,000	13,530,000	13,868,250
ARRA Stabilization Funds	0	93,668,750	140,287,176	0	0
<b>Total TEEOSA Aid</b>	839,390,581	933,850,727	947,203,076	1,019,051,252	1,129,298,428
Dollar Change from prior year	70,776,608	94,460,146	13,352,349	71,848,177	110,247,175
Percent Change from prior year	9.2%	11.3%	1.4%	7.6%	10.8%
<b>State General Fund Aid</b>					
TEEOSA (General Funds)	825,056,857	824,934,868	793,715,900	1,005,521,252	1,115,430,178
Dollar Change from prior year	71,501,309	(121,989)	(31,218,968)	211,805,353	109,908,925
Percent Change from prior year	9.5%	0.0%	-3.8%	26.7%	10.9%

**Historical TEEOSA Aid (All Funds)**

		TEEOSA (all Funds)	\$ Change	%Change
FY1989-90		133,720,830	4,730	0.0%
FY1990-91	First year of LB1059-TEEOSA, not fully implemented until FY92	311,462,100	177,741,270	132.9%
FY1991-92	Aid equaled \$133M plus est revenue from tax increase	357,283,727	45,821,627	14.7%
FY1992-93		370,668,616	13,384,889	3.7%
FY1993-94		383,069,609	12,400,993	3.3%
FY1994-95		400,230,135	17,160,526	4.5%
FY1995-96		414,933,814	14,703,679	3.7%
FY1996-97	First year insurance premium included as part of TEEOSA (\$12.4M)	447,243,594	32,309,780	7.8%
FY1997-98		465,944,483	18,700,889	4.2%
FY1998-99	Levy limit \$1.10, prior yr avg = \$1.3045, fixed local effort rate	591,240,235	125,295,752	26.9%
FY1999-00		594,042,250	2,802,015	0.5%
FY2000-01	Valuation growth 9%, large increase MV tax	561,326,416	(32,715,834)	-5.5%
FY2001-02	Levy limit, to \$1.00	645,080,733	83,754,317	14.9%
FY2002-03	Aid adjustment factor added	661,928,207	16,847,474	2.6%
FY2003-04	Levy limit, to \$1.05	640,701,878	(21,226,329)	-3.2%
FY2004-05	Full impact, 0% allowable growth/cost growth factor	634,317,276	(6,384,602)	-1.0%
FY2005-06	Start restoration of cost growth factor	700,594,282	66,277,006	10.4%
FY2006-07	Property valuations grew 2% more than spending base	718,467,329	17,873,047	2.6%
FY2007-08	Early childhood, ag land to 75%	768,613,973	50,146,644	7.0%
FY2008-09	Aid adjust factor expires, cost growth, inflate allowances, summer school	839,390,581	70,776,608	9.2%
FY2009-10	Annualize LB988, onetime apportionment expires, high averaging adjustment	933,850,727	94,460,146	11.3%
FY2010-11*	LB545-2009 and LB5-2009 Spec Session changes	947,203,076	13,352,349	1.4%
FY2011-12*	State resources flat (0% SPED) spending at 4.4% but 2.5% valuation	1,019,051,252	71,848,177	7.6%
FY2012-13*	Valuation growth 2.5%, spending growth 5.5%	1,129,298,428	110,247,175	10.8%

**Avg Annual % Change:**

FY91-92 to FY00-01 (9 years from first full yr of LB1059)	5.1%
FY00-01 to FY10-11 (10 years)	5.4%
Average annual growth since LB1059 fully implemented, through FY10-11 certified (19 years)	5.3%

**Homestead Exemption (Dept of Revenue)**

Based upon data received from counties, the actual amount of homestead exemption reimbursement required for FY2009-10 is \$65.8 million which is \$3.6 million higher than the current FY2009-10 appropriation. This \$65.8 million level is a 7.5% increase compared to the prior year. Although the total number of applications increased by only 50, the number of *qualified* applications increased by nearly 700. The Dept of Revenue estimates homestead exemption reimbursement using a linear regression model with data from 1996 through 2009. The variables used in the model to explain homestead reimbursement are: 1) homestead reimbursement for the prior year, 2) capital gains reported on Nebraska resident income tax returns, 3) medical expenses reported by homestead applicants, and 4) a time trend variable. Because most of the spending in the Homestead Exemption program is to assist low-income elderly homeowners, income is the major determining factor in the number of qualified applicants. The model suggests that the decrease in income in 2008 was responsible for the need for an increased appropriation for FY2009-10.

Notwithstanding the FY2009-10 deficit, because of the uncertainty and fluctuation in reimbursement amounts over the past several years, both the Governor and Committee left the FY2010-11 appropriation unchanged. This leaves the FY2010-11 appropriation at the same level of FY2009-10 with this deficit and will be reviewed next January when actual data is available from counties.



<b>Homestead Exemption</b>	FY08/FY09 Biennial Budget			Current Biennial Budget	
	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
Base Year appropriation	48,838,100	56,473,000	56,473,000	76,120,104	76,120,104
Base reduction per base yr actual data	0	0	0	(14,870,104)	(14,870,104)
Cost/Client increases	7,634,900	6,689,960	12,579,104	1,000,000	3,750,000
LB968 (2006) Change max values/exemptions	0	6,894,000	7,068,000	0	0
Total General Funds (without deficits)	56,473,000	70,056,960	76,120,104	62,250,000	65,000,000
Deficit	260,000	(7,000,000)	(14,870,104)	3,609,000	?
Total General Funds (with deficits)	56,733,000	63,056,960	61,250,000	65,859,000	65,000,000
\$ Change (including deficits)	2,906,000	6,323,960	(1,806,960)	4,609,000	(859,000)
% Change (including deficits)	5.4%	11.1%	-2.9%	7.5%	-1.3%

## Enhanced Treatment Group Home Room and Board Fund Shift (HHS)

As part of its review of the Managed Care Waiver, the federal Centers for Medicare and Medicaid Services (CMS) informed the state Division of Medicaid and Long Term Care that it can not use Medicaid funds to pay for room and board expenditures for services such as Enhanced Treatment Group Homes. As a result, the state Division of Children and Family Services (CFS) must start paying room and board expenditures for all state wards residing in Enhanced Treatment Group Homes effective July 1, 2009. Because CFS has not historically paid these expenditures, they are not built into the current CFS budget. The only situation in which the Division of Medicaid and Long Term Care can pay for housing costs associated with services is when the facility is an approved 24-hour Psychiatric Residential Treatment Facility (PRTF) with oversight by a physician.

The committee proposed changes includes a transfer of funding from Program 348 (Medicaid) to Program 347 to pay for room and board in Enhanced Treatment Group Homes. The fund source for the federal funds will change from Medicaid to TANF Block Grant funds. No increase in spending authority is being requested. The agency proposed using the unused balance in TANF to cover these costs as Aid to Dependent Children Program costs have been flat and with other actions being taken by the department, these funds should be available into the future. Also, some of these facilities may qualify as psychiatric residential treatment facilities which would qualify them for a Medicaid match for room and board.

## Medicaid – Federal Clawback (HHS)

Under the Medicare Part D Prescription Drug Program, states are required to make payments to the federal government for a portion of the cost of providing prescription drug coverage to the dual-eligible population (low income elderly or disabled individuals who are enrolled in both Medicare and Medicaid). These payments are commonly referred to as “clawback”. When the American Recovery and Reinvestment Act of 2009 (ARRA) increased state Medicaid FMAPs the law did not address whether the increased FMAPs would apply to the calculation of the clawback. In fact last April, the Centers for Medicare & Medicaid Services (CMS) indicated that the increase in the FMAP would not apply to the clawback provisions. However in February 2010, the federal HHS announced a change in this interpretation and notified states it would apply the ARRA FMAPs to clawback payments retroactive to

October 1, 2008. Application of the higher FMAP results in lower clawback payments resulting in General Fund savings of \$8,100,000 in FY2009-10 and \$10,600,000 in FY2010-11.

## **Medicaid – Prenatal Care for Unborn Children (HHS)**

Per a directive of the Centers for Medicare and Medicaid Services, HHS is required to stop coverage of unborn children under the Medicaid Program. Title XIX – Medicaid does not allow coverage of the unborn. Although the Medicaid Program does not have an eligibility category for unborn children, most of the cases that were classified as unborn cases have been by switched by HHS to coverage for pregnant women. Those women who will not qualify for coverage are primarily undocumented or U. S. citizens with sanctions. The general fund appropriations for the services and recipients no longer covered are \$1,527,574 in FY09-10 and \$5,338,013 in FY10-11. These amounts have been reduced from the Medicaid budget.

## **LB 1106 Medicaid, school-based health centers, new match (HHS)**

This bill would allow school-based health centers to be Medicaid providers and captures allowable federal CHIP and Medicaid match for health care services provided to legal non-residents. The school-based health centers are projected to increase Medicaid costs by greater utilization. Computer changes are estimated to cost \$25,000 (\$6,250 GF and \$18,750 FF) in FY 11 and Medicaid costs are estimated to be \$656,949 (\$233,742 GF and \$423,207 FF) in FY 11 and \$686,807 (\$285,437 GF and \$401,370 FF) in FY 12.

Currently medical services for legal permanent residents who meet the requirements of the Medicaid are covered under a state-only program for the first five years the covered individual is lawfully in this country. After five years, they qualify for Medicaid with a federal match. The Children's Health Insurance Reauthorization Act allows states to cover children and pregnant women under CHIP and Medicaid without the delay of five years. By amending the state plan to cover legal non-residents, the state can reduce general funds by the amount of federal match that the state will received under Medicaid and CHIP. Savings from the CHIP match for children and the Medicaid match for pregnant women are \$1,433,842 in FY 11 and \$1,359,622 in FY 12. The net general fund impact of the bill is a reduction of \$1,193,849 GF in FY 11 and \$1,074,992 in FY 12

## **Program Statement for Replacement of the Grand Island Veterans Home Facilities (HHS)**

The Governor recommended, and the committee concurred, that \$150,000 of general funds be reallocated from the operating budget for the veterans' homes to develop a program statement for the replacement of the Grand Island Veterans Home. The funds would be transferred from this program to a capital construction program for expenditure.. This also includes an additional appropriation of \$150,000 of cash funds for 2010-11 to replace the reallocation of general funds.

Members needing skilled nursing care are currently housed in two buildings which were constructed in 1968 and 1973. Assisted living services are provided in a building erected in 1923 and persons with Alzheimer's disease and other dementias receive services in a building constructed in 1965. The

replacement of the veterans home is being considered due to the age of the current facilities. Many doorways are too narrow for larger wheelchairs, elevators and doorways do not accommodate some newer medical equipment, and only 52% of the rooms are private. Privacy is important if members have behaviors or contagious conditions. A federal match of 65% would be available if the project is approved for funding by the federal government

## **Across the Board Cuts**

The committee proposal includes a 2% across the board cut applied to the same operations and aid programs to which the 5% cut was applied in the 2009 Special Session. A complete listing of the programs and the amount of across the board cuts is included in Appendix D.

Certain state appropriations were exempted from across the board reductions including TEEOSA school aid, Special Education, Medicaid, Kids Connection, Homestead Exemption, Behavioral Health Aid, Developmental Disability Aid, Health Aid, Aid to Aging Programs, Health and Human Services care and treatment facilities, State Patrol, Corrections, Juvenile Services Aid, HHS protection and safety, and the State Emergency Fund and Public Safety Communications.

The across the board reductions were not applied to higher education which includes the University of Nebraska, State Colleges and Community Colleges due to maintenance of effort requirements attached to Nebraska's use of Stabilization funds received under the American Recovery and Reinvestment Act (ARRA).

These priority and entitlement programs that were excluded amount to 89.3% of the budget meaning that the across the board cut is applied to only 10.7% of the total budget.

# Total Appropriations – All Funds

Table 10 shows the total appropriation from all fund sources as enacted in the 2009 legislative session and revised in the 2009 Special Session, with the Appropriations Committee recommendation for budget adjustments in the 2010 session.

Table 10 Total Appropriations - All Funds

<b><i>FY2008-09</i></b>	General	Cash	Federal	Rev/Other	Total
<b>Adjusted Per 2008 Session</b>	3,481,660,742	1,737,598,483	2,294,400,979	712,318,113	8,225,978,317
2009 Session Deficits	(131,597,388)	14,647,832	(1,904,909)	0	(118,854,465)
2009 Session State Claims	896,937	3,720,434	0	282,764	4,900,135
2009 Session "A" bills	0	350,000	0	0	350,000
<b>Final Appropriation per 2009 Session</b>	<b>3,350,960,291</b>	<b>1,756,316,749</b>	<b>2,292,496,070</b>	<b>712,600,877</b>	<b>8,112,373,987</b>
<b><i>FY2009-10</i></b>	General	Cash	Federal	Rev/Other	Total
<b>Total - 2009 Session</b>	3,380,864,343	1,762,003,199	2,554,199,664	716,159,796	8,413,227,002
2009 Special Session Actions	(55,567,639)	(6,192,789)	0	(2,091,240)	(63,851,668)
<b>Total Per 2009 Special Session</b>	<b>3,325,296,704</b>	<b>1,755,810,410</b>	<b>2,554,199,664</b>	<b>714,068,556</b>	<b>8,349,375,334</b>
2010 Session-Deficits	(6,018,574)	3,654,197	0	2,017,771	(346,606)
2010 Session State Claims	370,870	32,974	0	119,000	522,844
2010 Session "A" bills	0	0	0	0	0
<i>2010 Deficits</i>	<i>(5,647,704)</i>	<i>3,687,171</i>	<i>0</i>	<i>2,136,771</i>	<i>176,238</i>
<b>Final Total - 2010 Session</b>	<b>3,319,649,000</b>	<b>1,759,497,581</b>	<b>2,554,199,664</b>	<b>716,205,327</b>	<b>8,349,551,572</b>
Change over prior year (without deficits)					
Dollar	(156,364,038)	18,211,927	259,798,685	1,750,443	123,397,017
Percent	-4.5%	1.0%	11.3%	0.2%	1.5%
<b><i>FY2010-11</i></b>	General	Cash	Federal	Rev/Other	Total
<b>Total Per 2009 Special Session</b>	3,410,654,213	1,746,379,102	2,584,681,790	729,699,785	8,471,414,890
2010 Session-Legislature	(8,779,878)	(150,000)	0	2,019,056	(6,910,822)
2010 Session Vetoes	0	0	0	0	0
2010 Session Overrides	0	0	0	0	0
2010 Session "A" bills	0	0	0	0	0
<i>2010 Session Midbiennium Actions</i>	<i>(8,779,878)</i>	<i>(150,000)</i>	<i>0</i>	<i>2,019,056</i>	<i>(6,910,822)</i>
<b>Total Per 2010 Session</b>	<b>3,401,874,335</b>	<b>1,746,229,102</b>	<b>2,584,681,790</b>	<b>731,718,841</b>	<b>8,464,504,068</b>
Change over prior year (without deficits)					
Dollar	76,577,631	(9,581,308)	30,482,126	17,650,285	115,128,734
Percent	2.3%	-0.5%	1.2%	2.5%	1.4%

A complete listing of all items is contained in Appendix A. Most of the changes in cash, federal, and revolving funds are related to a General Fund issue and are described in the General Fund section of this report. There are three significant stand-alone items.

## **Temporary Employment Services Program (SOS)**

The Temporary Employment Services Program (SOS) under DAS provides a pool of temporary employees that state agencies can utilize and operates as a revolving fund enterprise. The committee proposal includes increased revolving fund appropriation authority of \$2,017,771 in FY09-10 and \$2,019,056 in FY10-11 due to increased utilization of the program.

## **Convention Center Support Fund**

Under the Convention Center Facility Financing Assistance Act provides that sales tax revenue collected by retailers and operators doing business at a approved convention and meeting center facility, sports arena facility, or associated hotel be allocated to the Convention Center Support Fund. Of this amount, 70% goes back to the relevant political subdivision and 30% goes to the the Local Civic, Cultural, and Convention Center Financing Fund. A total of \$4,344,719 was certified to be credited to the Convention Center Support Fund of which \$3,041,304 is remitted back to Omaha and \$1,303,416 transferred to the Local Civic, Cultural, and Convention Center Financing Fund.

## **Help America Vote Act (HAVA) Funds**

\$435,760 in additional Cash Fund authority is being provided to the Secretary of State to accommodate new funds available through the Help America Vote Act (HAVA). These dollars are the total of \$413,972 in federal funds and \$21,783 in state cash funds which are being transferred from the Corporation Cash Fund to the Election Administration Fund. These dollars will be utilized for general ongoing administration of the program.

## **ARRA – Energy Office**

Although ARRA dollars for the Nebraska Energy Office (NEO) are not appropriated, the Appropriations Committee has included intent language directing the NEO to seek a approval from the US Department of Energy to revise the submitted plan for State Energy Plan expenditures. Under the revised plan, \$500,000 of the \$2.1 million set aside for administrative costs will be directed toward a grant program for K-12 public school districts to fund energy efficiency building improvements, audits, and certifications.

## Appendix A

### Detailed Listing of All Budget Adjustments

		Fund	Current Biennium		Est for Following Biennium	
			FY2009-10	FY2010-11	FY2011-12	FY2012-13
<b><u>#03-Legislative Council</u></b>						
All	Reduce reapprop, one furlough day (\$51,103) and limitation on out of state travel (\$40,000)	Gen	0	0	0	0
<b><u>#05-Supreme Court</u></b>						
--	Reappropriate unexpended balance in judges salary programs, allow reallocate	Gen	YES	YES	0	0
52	Salary savings, court system	Gen	0	(80,000)	(80,000)	(80,000)
52	Strike aid earmark, program shifted to #78	--	0	YES	0	0
52	Correct intent language, retainer fees	--	0	YES	0	0
<b><u>#9-Secretary of State</u></b>						
51	Additional Help America Vote Act (HAVA) funding	Cash	435,760	0	0	0
<b><u>#12-State Treasurer</u></b>						
12	State Treasurer health insurance	Gen	2,000	3,000	3,000	3,000
24	Reduction to offset Treasurer health insurance deficit	Gen	(2,000)	(3,000)	(3,000)	(3,000)
505	Investment Council assessment increase	Cash	87,134	0	0	0
665	Convention Center Support Fund	Cash	3,041,303	0	0	0
<b><u>#13-Dept of Education</u></b>						
25	PSL increase - ARRA related (\$296,687 FY11)	PSL	0	YES	0	0
158	TEEOSA state aid, adjust to certified	Gen	0	15,186,427	9,532,005	14,459,474
614	PSL increase (\$440 FY10 only)	PSL	YES	0	0	0
614	PSL retirement (\$24,014 FY11)	PSL	0	YES	0	0
351	Increase cash funds, match available federal vocational rehabilitation funds	Cash	90,000	0	0	0

	Fund	Current Biennium		Est for Following Biennium	
		FY2009-10	FY2010-11	FY2011-12	FY2012-13
<b><u>#15-Parole Board</u></b>					
320 PSL, Board Member Salary Increases (\$1,039 FY10)	PSL	YES	0	0	0
<b><u>#16-Dept of Revenue</u></b>					
108 Homestead Exemption	Gen	3,609,000	0	0	0
<b><u>#17-Dept of Aeronautics</u></b>					
26 PSL increase, retirements and adjustment (\$53,073 FY10, \$6,115 FY11)	PSL	YES	YES	0	0
<b><u>#24-Dept of Motor Vehicles</u></b>					
70 Correct intent language, retainer fees	--	YES	0	0	0
<b><u>#25-HHS System</u></b>					
175 Replace onetime use of cash, Rural Health Professionl Incentives	Gen	0	300,000	300,000	300,000
175 Replace onetime use of cash, Rural Health Professionl Incentives	Cash	0	(300,000)	(300,000)	(300,000)
347 Enhanced treatment group home room & board (Public Assistance)	Gen	1,160,000	1,160,000	1,160,000	1,160,000
347 Enhanced treatment group home room & board (Public Assistance)	Fed	1,740,000	1,740,000	1,740,000	1,740,000
348 Enhanced treatment group home room & board (Medicaid)	Gen	(1,160,000)	(1,160,000)	(1,160,000)	(1,160,000)
348 Enhanced treatment group home room & board (Medicaid)	Fed	(1,740,000)	(1,740,000)	(1,740,000)	(1,740,000)
348 ARRA clawback payment reduction (Medicaid)	Gen	(8,100,000)	(10,600,000)	0	0
348 Recapture, costs for prenatal services to unborn children (Medicaid)	Gen	(1,527,574)	(5,338,013)	(6,361,042)	(6,361,042)
344 LB 1106 Medicaid, school-based health centers and new match	Gen	0	161,583	166,120	166,120
348 LB 1106 Medicaid, school-based health centers and new match	Gen	0	(1,361,682)	(1,240,305)	(1,240,305)
519 Shift operations funds for program statement (GI Vets Home)	Gen	0	(150,000)	0	0
519 Available cash funds to offset GF reduction (Veterans Homes)	Cash	0	150,000	0	0
900 Program statement for the GI Vets Home	Gen	0	150,000	0	0
<b><u>#33-Game and Parks Commission</u></b>					
549 Salary limit for food service operations at Mahoney SP (FY11 \$665,808)	PSL	0	YES	0	0

	Fund	Current Biennium FY2009-10	FY2010-11	Est for Following Biennium FY2011-12	FY2012-13
<b><u>#47-Nebr Educational Telecommunications</u></b>					
900 Allow excess KLNE transmitter replacement funds to be used for radio towers	--	0	YES	0	0
<b><u>#65-Administrative Services</u></b>					
591 State Claims (included in Claims Bill)	Gen	370,870	0	0	0
591 State Claims (included in Claims Bill)	Cash	32,974	0	0	0
591 State Claims (included in Claims Bill)	Rev	119,000	0	0	0
605 Temporary Services Program (SOS), additional utilization	Rev	2,017,771	2,019,056	2,019,056	2,019,056
<b><u>#69-Arts Council</u></b>					
326 Increase PSL and FTE by .25 (\$7,862 FY10, \$8,059 FY11)	PSL	YES	YES	0	0
<b><u>#78-Crime Commission</u></b>					
210 Intent language, Byrne grant funding	--	0	YES	0	0
<b><u>#85-Public Employees Retirement Board</u></b>					
515 Adjust appropriation, State Patrol retirement plan	Gen	0	105,610	105,610	105,610
515 Adjust appropriation, K-12 school retirement plan	Gen	0	(56,936)	(56,936)	(56,936)
<b><u>Across the Board Cut</u></b>					
-- 2% Across the Board Cut - Operations	Gen	0	(5,791,825)	(5,791,825)	(5,791,825)
-- 2% Across the Board Cut - State Aid	Gen	0	(1,305,042)	(1,305,042)	(1,305,042)
<hr/>					
General Funds		(5,647,704)	(8,779,878)	(4,731,415)	196,054
Cash Funds		3,687,171	(150,000)	(300,000)	(300,000)
Federal Funds		0	0	0	0
Revolving Funds		2,136,771	2,019,056	2,019,056	2,019,056
Total		176,238	(6,910,822)	(3,012,359)	1,915,110



## Appendix B

### General Fund Appropriations by Agency

		FY2008-09	FY2009-10			FY2010-11			Change over Prior Year (excludes deficits)			
		w/o deficits	2009 Sp Sess	20010 Deficits	Revised	2009 Sp Sess	2010 Changes	Revised	FY10 vs Prior Yr		FY11 vs Prior Yr	
#03 Legislative Council	Oper	17,680,147	17,556,699	0	17,556,699	17,851,829	(344,376)	17,507,453	(123,448)	-0.7%	(49,246)	-0.3%
#03 Legislative Council	Total	17,680,147	17,556,699	0	17,556,699	17,851,829	(344,376)	17,507,453	(123,448)	-0.7%	(49,246)	-0.3%
#05 Supreme Court	Oper	67,935,364	69,386,261	0	69,386,261	71,328,393	(1,064,352)	70,264,041	1,450,897	2.1%	877,780	1.3%
#05 Supreme Court	Total	67,935,364	69,386,261	0	69,386,261	71,328,393	(1,064,352)	70,264,041	1,450,897	2.1%	877,780	1.3%
#07 Governor	Oper	1,742,569	1,704,487	0	1,704,487	1,666,523	(30,474)	1,636,049	(38,082)	-2.2%	(68,438)	-4.0%
#07 Governor	Total	1,742,569	1,704,487	0	1,704,487	1,666,523	(30,474)	1,636,049	(38,082)	-2.2%	(68,438)	-4.0%
#08 Lt. Governor	Oper	143,839	142,877	0	142,877	143,990	(705)	143,285	(962)	-0.7%	408	0.3%
#08 Lt. Governor	Total	143,839	142,877	0	142,877	143,990	(705)	143,285	(962)	-0.7%	408	0.3%
#09 Secretary of State	Oper	734,475	458,578	0	458,578	455,227	(6,859)	448,368	(275,897)	-37.6%	(10,210)	-2.2%
#09 Secretary of State	Total	734,475	458,578	0	458,578	455,227	(6,859)	448,368	(275,897)	-37.6%	(10,210)	-2.2%
#10 State Auditor	Oper	2,557,746	2,446,480	0	2,446,480	2,388,514	(45,416)	2,343,098	(111,266)	-4.4%	(103,382)	-4.2%
#10 State Auditor	Total	2,557,746	2,446,480	0	2,446,480	2,388,514	(45,416)	2,343,098	(111,266)	-4.4%	(103,382)	-4.2%
#11 Attorney General	Oper	6,154,481	6,626,266	0	6,626,266	6,061,706	(118,636)	5,943,070	471,785	7.7%	(683,196)	-10.3%
#11 Attorney General	Total	6,154,481	6,626,266	0	6,626,266	6,061,706	(118,636)	5,943,070	471,785	7.7%	(683,196)	-10.3%
#12 State Treasurer	Aid	17,768,561	17,828,421	0	17,828,421	17,371,283	(347,426)	17,023,857	59,860	0.3%	(804,564)	-4.5%
#12 State Treasurer	Oper	1,646,026	1,554,161	0	1,554,161	1,545,349	(28,567)	1,516,782	(91,865)	-5.6%	(37,379)	-2.4%
#12 State Treasurer	Total	19,414,587	19,382,582	0	19,382,582	18,916,632	(375,993)	18,540,639	(32,005)	-0.2%	(841,943)	-4.3%
#13 Education	Aid	1,034,925,763	1,036,218,501	0	1,036,218,501	988,666,323	14,730,111	1,003,396,434	1,292,738	0.1%	(32,822,067)	-3.2%
#13 Education	Oper	16,513,039	17,263,206	0	17,263,206	17,889,477	(230,040)	17,659,437	750,167	4.5%	396,231	2.3%
#13 Education	Total	1,051,438,802	1,053,481,707	0	1,053,481,707	1,006,555,800	14,500,071	1,021,055,871	2,042,905	0.2%	(32,425,836)	-3.1%
#14 Public Service Comm	Oper	2,659,081	2,552,234	0	2,552,234	2,549,983	(40,904)	2,509,079	(106,847)	-4.0%	(43,155)	-1.7%
#14 Public Service Comm	Total	2,659,081	2,552,234	0	2,552,234	2,549,983	(40,904)	2,509,079	(106,847)	-4.0%	(43,155)	-1.7%
#15 Parole Board	Oper	800,540	801,278	0	801,278	805,336	(6,148)	799,188	738	0.1%	(2,090)	-0.3%
#15 Parole Board	Total	800,540	801,278	0	801,278	805,336	(6,148)	799,188	738	0.1%	(2,090)	-0.3%
#16 Revenue	Aid	77,620,104	63,750,000	3,609,000	67,359,000	66,425,000	(28,500)	66,396,500	(13,870,104)	-17.9%	2,646,500	4.2%
#16 Revenue	Oper	29,646,103	28,801,138	0	28,801,138	27,587,352	(548,050)	27,039,302	(844,965)	-2.9%	(1,761,836)	-6.1%
#16 Revenue	Total	107,266,207	92,551,138	3,609,000	96,160,138	94,012,352	(576,550)	93,435,802	(14,715,069)	-13.7%	884,664	1.0%
#18 Agriculture	Aid	2,000,000	58,500	0	58,500	114,000	(2,280)	111,720	(1,941,500)	na	53,220	91.0%
#18 Agriculture	Oper	6,506,350	6,222,625	0	6,222,625	6,139,496	(122,790)	6,016,706	(283,725)	-4.4%	(205,919)	-3.3%
#18 Agriculture	Total	8,506,350	6,281,125	0	6,281,125	6,253,496	(125,070)	6,128,426	(2,225,225)	-26.2%	(152,699)	-2.4%

		FY2008-09	FY2009-10			FY2010-11			Change over Prior Year (excludes deficits)			
		w/o deficits	2009 Sp Sess	2010 Deficits	Revised	2009 Sp Sess	2010 Changes	Revised	FY10 vs Prior Yr		FY11 vs Prior Yr	
#21 Fire Marshal	Oper	4,334,612	4,369,109	0	4,369,109	4,373,640	(80,186)	4,293,454	34,497	0.8%	(75,655)	-1.7%
#21 Fire Marshal	Total	4,334,612	4,369,109	0	4,369,109	4,373,640	(80,186)	4,293,454	34,497	0.8%	(75,655)	-1.7%
#23 Labor	Oper	636,831	552,868	0	552,868	553,135	(11,063)	542,072	(83,963)	-13.2%	(10,796)	-2.0%
#23 Labor	Total	636,831	552,868	0	552,868	553,135	(11,063)	542,072	(83,963)	-13.2%	(10,796)	-2.0%
#25 HHS System	Aid	1,000,667,731	865,138,673	(9,627,574)	855,511,099	948,481,082	(16,844,991)	931,636,091	(135,529,058)	-13.5%	66,497,418	7.7%
#25 HHS System	Oper	224,867,892	244,381,736	0	244,381,736	254,721,769	(1,812,192)	252,909,577	19,513,844	8.7%	8,527,841	3.5%
#25 HHS System	Total	1,225,535,623	1,109,520,409	(9,627,574)	1,099,892,835	1,203,202,851	(18,657,183)	1,184,545,668	(116,015,214)	-9.5%	75,025,259	6.8%
#27 Roads	Oper	18,184	2,545	0	2,545	2,479	(50)	2,429	(15,639)	-86.0%	(116)	-4.6%
#27 Roads	Total	18,184	2,545	0	2,545	2,479	(50)	2,429	(15,639)	-86.0%	(116)	-4.6%
#28 Veterans Affairs	Oper	1,032,894	935,408	0	935,408	1,138,532	(22,771)	1,115,761	(97,486)	-9.4%	180,353	19.3%
#28 Veterans Affairs	Total	1,032,894	935,408	0	935,408	1,138,532	(22,771)	1,115,761	(97,486)	-9.4%	180,353	19.3%
#29 Natural Resources	Aid	8,474,374	7,971,361	0	7,971,361	7,766,967	(155,339)	7,611,628	(503,013)	-5.9%	(359,733)	-4.5%
#29 Natural Resources	Oper	9,417,678	9,473,223	0	9,473,223	9,494,300	(189,886)	9,304,414	55,545	0.6%	(168,809)	-1.8%
#29 Natural Resources	Total	17,892,052	17,444,584	0	17,444,584	17,261,267	(345,225)	16,916,042	(447,468)	-2.5%	(528,542)	-3.0%
#31 Military Dept	Aid	1,024,166	1,511,875	0	1,511,875	998,750	(9,975)	988,775	487,709	47.6%	(523,100)	-34.6%
#31 Military Dept	Oper	3,748,283	3,789,772	0	3,789,772	3,771,090	(75,422)	3,695,668	41,489	1.1%	(94,104)	-2.5%
#31 Military Dept	Total	4,772,449	5,301,647	0	5,301,647	4,769,840	(85,397)	4,684,443	529,198	11.1%	(617,204)	-11.6%
#32 Ed Lands & Funds	Oper	414,455	339,756	0	339,756	342,153	(6,843)	335,310	(74,699)	-18.0%	(4,446)	-1.3%
#32 Ed Lands & Funds	Total	414,455	339,756	0	339,756	342,153	(6,843)	335,310	(74,699)	-18.0%	(4,446)	-1.3%
#33 Game & Parks	Aid	50,000	46,312	0	46,312	45,125	(903)	44,222	(3,688)	-7.4%	(2,090)	-4.5%
#33 Game & Parks	Oper	11,288,991	11,460,477	0	11,460,477	11,737,640	(230,548)	11,507,092	171,486	1.5%	46,615	0.4%
#33 Game & Parks	Total	11,338,991	11,506,789	0	11,506,789	11,782,765	(231,451)	11,551,314	167,798	1.5%	44,525	0.4%
#34 Library Commission	Aid	1,220,998	1,187,723	0	1,187,723	1,154,467	(23,089)	1,131,378	(33,275)	-2.7%	(56,345)	-4.7%
#34 Library Commission	Oper	2,667,938	2,603,990	0	2,603,990	2,540,023	(50,801)	2,489,222	(63,948)	-2.4%	(114,768)	-4.4%
#34 Library Commission	Total	3,888,936	3,791,713	0	3,791,713	3,694,490	(73,890)	3,620,600	(97,223)	-2.5%	(171,113)	-4.5%
#35 Liquor Control	Oper	982,122	973,688	0	973,688	977,316	(19,546)	957,770	(8,434)	-0.9%	(15,918)	-1.6%
#35 Liquor Control	Total	982,122	973,688	0	973,688	977,316	(19,546)	957,770	(8,434)	-0.9%	(15,918)	-1.6%
#46 Correctional Services	Aid	3,910,000	3,812,250	0	3,812,250	3,714,500	(74,290)	3,640,210	(97,750)	-2.5%	(172,040)	-4.5%
#46 Correctional Services	Oper	148,460,688	120,145,021	0	120,145,021	142,575,132	0	142,575,132	(28,315,667)	-19.1%	22,430,111	18.7%
#46 Correctional Services	Total	152,370,688	123,957,271	0	123,957,271	146,289,632	(74,290)	146,215,342	(28,413,417)	-18.6%	22,258,071	18.0%
#47 NETC	Oper	10,136,091	9,718,823	0	9,718,823	9,692,602	(193,852)	9,498,750	(417,268)	-4.1%	(220,073)	-2.3%
#47 NETC	Total	10,136,091	9,718,823	0	9,718,823	9,692,602	(193,852)	9,498,750	(417,268)	-4.1%	(220,073)	-2.3%

		FY2008-09	FY2009-10			FY2010-11			Change over Prior Year (excludes deficits)			
		w/o deficits	2009 Sp Sess	2010 Deficits	Revised	2009 Sp Sess	2010 Changes	Revised	FY10 vs Prior Yr		FY11 vs Prior Yr	
#48 Coordinating Comm	Aid	6,832,315	6,908,351	0	6,908,351	6,994,389	(130,983)	6,863,406	76,036	1.1%	(44,945)	-0.7%
#48 Coordinating Comm	Oper	1,303,819	1,271,224	0	1,271,224	1,238,628	(24,773)	1,213,855	(32,595)	-2.5%	(57,369)	-4.5%
#48 Coordinating Comm	Total	8,136,134	8,179,575	0	8,179,575	8,233,017	(155,756)	8,077,261	43,441	0.5%	(102,314)	-1.3%
#50 State Colleges	Oper	45,393,201	45,335,219	0	45,335,219	45,369,972	0	45,369,972	(57,982)	-0.1%	34,753	0.1%
#50 State Colleges	Total	45,393,201	45,335,219	0	45,335,219	45,369,972	0	45,369,972	(57,982)	-0.1%	34,753	0.1%
#51 University of Nebraska	Oper	492,106,037	482,481,131	0	482,481,131	494,720,104	0	494,720,104	(9,624,906)	-2.0%	12,238,973	2.5%
#51 University of Nebraska	Total	492,106,037	482,481,131	0	482,481,131	494,720,104	0	494,720,104	(9,624,906)	-2.0%	12,238,973	2.5%
#54 Historical Society	Oper	4,514,311	4,393,168	0	4,393,168	4,280,522	(85,610)	4,194,912	(121,143)	-2.7%	(198,256)	-4.5%
#54 Historical Society	Total	4,514,311	4,393,168	0	4,393,168	4,280,522	(85,610)	4,194,912	(121,143)	-2.7%	(198,256)	-4.5%
#64 State Patrol	Oper	52,926,634	54,313,186	0	54,313,186	55,899,726	(8,235)	55,891,491	1,386,552	2.6%	1,578,305	2.9%
#64 State Patrol	Total	52,926,634	54,313,186	0	54,313,186	55,899,726	(8,235)	55,891,491	1,386,552	2.6%	1,578,305	2.9%
#65 Admin Services (DAS)	Oper	9,128,050	8,799,858	370,870	9,170,728	8,174,893	(154,473)	8,020,420	(328,192)	-3.6%	(779,438)	-8.9%
#65 Admin Services (DAS)	Total	9,128,050	8,799,858	370,870	9,170,728	8,174,893	(154,473)	8,020,420	(328,192)	-3.6%	(779,438)	-8.9%
#67 Equal Opportunity	Oper	1,373,311	1,293,175	0	1,293,175	1,302,156	(26,043)	1,276,113	(80,136)	-5.8%	(17,062)	-1.3%
#67 Equal Opportunity	Total	1,373,311	1,293,175	0	1,293,175	1,302,156	(26,043)	1,276,113	(80,136)	-5.8%	(17,062)	-1.3%
#68 Mexican-American	Oper	215,312	195,449	0	195,449	199,834	(3,997)	195,837	(19,863)	-9.2%	388	0.2%
#68 Mexican-American	Total	215,312	195,449	0	195,449	199,834	(3,997)	195,837	(19,863)	-9.2%	388	0.2%
#69 Arts Council	Aid	861,654	856,654	0	856,654	851,654	(3,800)	847,854	(5,000)	-0.6%	(8,800)	-1.0%
#69 Arts Council	Oper	618,060	615,311	0	615,311	596,972	(11,939)	585,033	(2,749)	-0.4%	(30,278)	-4.9%
#69 Arts Council	Total	1,479,714	1,471,965	0	1,471,965	1,448,626	(15,739)	1,432,887	(7,749)	-0.5%	(39,078)	-2.7%
#70 Foster Care Review	Oper	1,336,371	1,386,358	0	1,386,358	1,385,402	(27,708)	1,357,694	49,987	3.7%	(28,664)	-2.1%
#70 Foster Care Review	Total	1,336,371	1,386,358	0	1,386,358	1,385,402	(27,708)	1,357,694	49,987	3.7%	(28,664)	-2.1%
#72 Economic Development	Aid	2,225,000	1,593,750	0	1,593,750	1,560,125	(14,203)	1,545,922	(631,250)	-28.4%	(47,828)	-3.0%
#72 Economic Development	Oper	4,441,717	4,711,617	0	4,711,617	4,840,892	(86,818)	4,754,074	269,900	6.1%	42,457	0.9%
#72 Economic Development	Total	6,666,717	6,305,367	0	6,305,367	6,401,017	(101,021)	6,299,996	(361,350)	-5.4%	(5,371)	-0.1%
#76 Indian Commission	Oper	198,763	190,125	0	190,125	185,250	(3,705)	181,545	(8,638)	-4.3%	(8,580)	-4.5%
#76 Indian Commission	Total	198,763	190,125	0	190,125	185,250	(3,705)	181,545	(8,638)	-4.3%	(8,580)	-4.5%
#77 Industrial Relations	Oper	335,155	324,631	0	324,631	316,307	(6,326)	309,981	(10,524)	-3.1%	(14,650)	-4.5%
#77 Industrial Relations	Total	335,155	324,631	0	324,631	316,307	(6,326)	309,981	(10,524)	-3.1%	(14,650)	-4.5%
#78 Crime Commission	Aid	2,166,328	2,166,328	0	2,166,328	2,166,328	0	2,166,328	0	0.0%	0	0.0%
#78 Crime Commission	Oper	8,980,494	8,996,818	0	8,996,818	8,898,070	(175,961)	8,722,109	16,324	0.2%	(274,709)	-3.1%
#78 Crime Commission	Total	11,146,822	11,163,146	0	11,163,146	11,064,398	(175,961)	10,888,437	16,324	0.1%	(274,709)	-2.5%

		FY2008-09	FY2009-10			FY2010-11			Change over Prior Year (excludes deficits)			
		w/o deficits	2009 Sp Sess	2010 Deficits	Revised	2009 Sp Sess	2010 Changes	Revised	FY10 vs Prior Yr		FY11 vs Prior Yr	
#81 Blind & Visually Impaired	Aid	190,000	185,250	0	185,250	180,500	(3,610)	176,890	(4,750)	-2.5%	(8,360)	-4.5%
#81 Blind & Visually Impaired	Oper	779,684	842,943	0	842,943	852,342	(17,047)	835,295	63,259	8.1%	(7,648)	-0.9%
#81 Blind & Visually Impaired	Total	969,684	1,028,193	0	1,028,193	1,032,842	(20,657)	1,012,185	58,509	6.0%	(16,008)	-1.6%
#82 Deaf & Hard of Hearing	Oper	874,210	853,429	0	853,429	853,179	(17,064)	836,115	(20,781)	-2.4%	(17,314)	-2.0%
#82 Deaf & Hard of Hearing	Total	874,210	853,429	0	853,429	853,179	(17,064)	836,115	(20,781)	-2.4%	(17,314)	-2.0%
#83 Community Colleges	Aid	87,266,476	86,966,256	0	86,966,256	86,758,025	0	86,758,025	(300,220)	-0.3%	(208,231)	-0.2%
#83 Community Colleges	Total	87,266,476	86,966,256	0	86,966,256	86,758,025	0	86,758,025	(300,220)	-0.3%	(208,231)	-0.2%
#84 Environmental Quality	Aid	4,660,972	4,396,278	0	4,396,278	4,352,445	(47,449)	4,304,996	(264,694)	-5.7%	(91,282)	-2.1%
#84 Environmental Quality	Oper	3,532,038	3,402,811	0	3,402,811	3,331,450	(66,629)	3,264,821	(129,227)	-3.7%	(137,990)	-4.1%
#84 Environmental Quality	Total	8,193,010	7,799,089	0	7,799,089	7,683,895	(114,078)	7,569,817	(393,921)	-4.8%	(229,272)	-2.9%
#85 Retirement Board	Oper	19,468,215	25,589,490	0	25,589,490	27,371,336	48,674	27,420,010	6,121,275	31.4%	1,830,520	7.2%
#85 Retirement Board	Total	19,468,215	25,589,490	0	25,589,490	27,371,336	48,674	27,420,010	6,121,275	31.4%	1,830,520	7.2%
#87 Account/Disclosure	Oper	430,726	415,774	0	415,774	419,318	(8,386)	410,932	(14,952)	-3.5%	(4,842)	-1.2%
#87 Account/Disclosure	Total	430,726	415,774	0	415,774	419,318	(8,386)	410,932	(14,952)	-3.5%	(4,842)	-1.2%
#93 Tax Equal/Review Comm	Oper	875,451	853,565	0	853,565	831,678	(16,634)	815,044	(21,886)	-2.5%	(38,521)	-4.5%
#93 Tax Equal/Review Comm	Total	875,451	853,565	0	853,565	831,678	(16,634)	815,044	(21,886)	-2.5%	(38,521)	-4.5%
Capital Construction	Const	8,238,322	14,172,233	0	14,172,233	13,652,233	150,000	13,802,233	5,933,911	72.0%	(370,000)	-2.6%
OPERATIONS		1,221,557,978	1,210,527,988	370,870	1,210,898,858	1,259,401,017	(5,973,151)	1,253,427,866	(11,029,990)	-0.9%	42,899,878	3.5%
STATE AID		2,251,864,442	2,100,596,483	(6,018,574)	2,094,577,909	2,137,600,963	(2,956,727)	2,134,644,236	(151,267,959)	-6.7%	34,047,753	1.6%
CONSTRUCTION		8,238,322	14,172,233	0	14,172,233	13,652,233	150,000	13,802,233	5,933,911	72.0%	(370,000)	-2.6%
TOTAL GENERAL FUNDS		3,481,660,742	3,325,296,704	(5,647,704)	3,319,649,000	3,410,654,213	(8,779,878)	3,401,874,335	(156,364,038)	-4.5%	76,577,631	2.3%

## Appendix C

### General Fund Appropriations by State Aid Program

		FY2008-09	FY2009-10			FY2010-11			Change over Prior Year (exclude deficits)			
		w/o Deficits	2009 Sp Sess	2010 Deficits	Revised	2009 Sp Sess	2010 Change	Revised	FY10 vs Prior Yr		FY11 vs Prior Yr	
Treasurer	Aid to NRD's	1,545,502	1,503,939	0	1,503,939	1,465,377	(29,308)	1,436,069	(41,563)	-2.7%	(67,870)	-4.5%
Treasurer	Aid to Cities	11,257,193	11,482,763	0	11,482,763	11,188,333	(223,767)	10,964,566	225,570	2.0%	(518,197)	-4.5%
Treasurer	Aid to Counties	4,965,866	4,841,719	0	4,841,719	4,717,573	(94,351)	4,623,222	(124,147)	-2.5%	(218,497)	-4.5%
Education	State Aid to Education (TEEOSA)	823,527,243	824,960,159	0	824,960,159	778,529,472	15,186,427	793,715,899	1,432,916	0.2%	(31,244,260)	-3.8%
Education	Special Education	184,893,842	184,893,842	0	184,893,842	184,893,842	0	184,893,842	0	0.0%	0	0.0%
Education	Aid to ESU's	16,089,570	15,887,570	0	15,887,570	15,093,191	(301,864)	14,791,327	(202,000)	-1.3%	(1,096,243)	-6.9%
Education	High ability learner programs	2,336,921	2,336,921	0	2,336,921	2,220,075	(44,402)	2,175,673	0	0.0%	(161,248)	-6.9%
Education	Early Childhood program	3,615,426	3,604,328	0	3,604,328	3,434,655	(68,693)	3,365,962	(11,098)	-0.3%	(238,366)	-6.6%
Education	School Lunch	421,087	410,560	0	410,560	400,033	(8,001)	392,032	(10,527)	-2.5%	(18,528)	-4.5%
Education	Textbook loan program	450,000	487,500	0	487,500	475,000	(9,500)	465,500	37,500	8.3%	(22,000)	-4.5%
Education	School Breakfast reimbursement	411,100	412,811	0	412,811	427,260	0	427,260	1,711	0.4%	14,449	3.5%
Education	Adult Education	230,574	224,810	0	224,810	219,045	(4,381)	214,664	(5,764)	-2.5%	(10,146)	-4.5%
Education	Vocational Education	450,000	0	0	0	0	0	0	(450,000)	-100.0%	0	na
Education	Learning Communities Aid	500,000	1,000,000	0	1,000,000	973,750	(19,475)	954,275	500,000	100.0%	(45,725)	-4.6%
Education	Vocational Rehabilitation	2,000,000	2,000,000	0	2,000,000	2,000,000	0	2,000,000	0	0.0%	0	0.0%
Revenue	County Property Tax Relief	1,500,000	1,500,000	0	1,500,000	1,425,000	(28,500)	1,396,500	0	0.0%	(103,500)	-6.9%
Revenue	Homestead Exemption	76,120,104	62,250,000	3,609,000	65,859,000	65,000,000	0	65,000,000	(13,870,104)	-18.2%	2,750,000	4.4%
Agriculture	Riparian Vegetation grants	2,000,000	0	0	0	0	0	0	(2,000,000)	-100.0%	0	na
Agriculture	Food Supply Animal Vet Incentivess	0	58,500	0	58,500	114,000	(2,280)	111,720	58,500	na	53,220	91.0%
HHS System	Behavioral Health Aid	69,273,006	74,225,354	0	74,225,354	74,721,481	0	74,721,481	4,952,348	7.1%	496,127	0.7%
HHS System	Medical student assistance/RHOP	362,068	353,016	0	353,016	343,965	293,121	637,086	(9,052)	-2.5%	284,070	80.5%
HHS System	Juvenile predisposition detention	156,536	0	0	0	0	0	0	(156,536)	-100.0%	0	na
HHS System	Childrens Health Insurance	11,761,892	9,125,708	0	9,125,708	11,559,015	161,583	11,720,598	(2,636,184)	-22.4%	2,594,890	28.4%
HHS System	Public Assistance	241,622,331	236,346,958	1,160,000	237,506,958	246,964,986	0	246,964,986	(5,275,373)	-2.2%	10,618,028	4.5%
				(10,787,574)					(145,652,156)			
HHS System	Medicaid	590,958,613	445,306,457	)	434,518,883	507,644,000	(17,299,695)	490,344,305	)	-24.6%	45,037,848	10.1%
HHS System	Community developmental disabilities	71,166,316	83,269,149	0	83,269,149	90,573,431	0	90,573,431	12,102,833	17.0%	7,304,282	8.8%
HHS System	Community health centers	3,525,000	3,806,575	0	3,806,575	3,867,394	0	3,867,394	281,575	8.0%	60,819	1.6%
HHS System	Public Health Aid	4,124,776	4,786,648	0	4,786,648	4,807,372	0	4,807,372	661,872	16.0%	20,724	0.4%
HHS System	Care Management	1,993,340	2,023,239	0	2,023,239	2,033,123	0	2,033,123	29,899	1.5%	9,884	0.5%
HHS System	Area agencies on aging	5,723,853	5,895,569	0	5,895,569	5,966,315	0	5,966,315	171,716	3.0%	70,746	1.2%

		FY2008-09	FY2009-10			FY2010-11			Change over Prior Year (exclude deficits)			
		w/o Deficits	2009 Sp Sess	2010 Deficits	Revised	2009 Sp Sess	2010 Change	Revised	FY10 vs Prior Yr		FY11 vs Prior Yr	
Nat Resources	Nebr Water Conservation Fund	2,688,454	2,427,589	0	2,427,589	2,365,343	(47,307)	2,318,036	(260,865)	-9.7%	(109,553)	-4.5%
Nat Resources	Resources Development Fund	3,373,066	3,288,739	0	3,288,739	3,204,413	(64,088)	3,140,325	(84,327)	-2.5%	(148,414)	-4.5%
Nat Resources	NRD Water Management grants	2,412,854	2,255,033	0	2,255,033	2,197,211	(43,944)	2,153,267	(157,821)	-6.5%	(101,766)	-4.5%
Military Dept	Governors Emergency Fund	499,166	1,000,000	0	1,000,000	500,000	0	500,000	500,834	100.3%	(500,000)	-50.0%
Military Dept	Guard tuition assistance	525,000	511,875	0	511,875	498,750	(9,975)	488,775	(13,125)	-2.5%	(23,100)	-4.5%
Game & Parks	Niobrara Council	50,000	46,312	0	46,312	45,125	(903)	44,222	(3,688)	-7.4%	(2,090)	-4.5%
Library Comm	Local libraries	1,220,998	1,187,723	0	1,187,723	1,154,467	(23,089)	1,131,378	(33,275)	-2.7%	(56,345)	-4.7%
Corrections	County jail cost reimbursement	3,910,000	3,812,250	0	3,812,250	3,714,500	(74,290)	3,640,210	(97,750)	-2.5%	(172,040)	-4.5%
Coord. Comm	Nebr Scholarship Program	6,717,065	6,633,101	0	6,633,101	6,549,139	(130,983)	6,418,156	(83,964)	-1.3%	(214,945)	-3.2%
Coord. Comm	Access College Early Scholarship	115,250	275,250	0	275,250	445,250	0	445,250	160,000	138.8%	170,000	61.8%
Arts Council	Aid to arts programs	661,654	661,654	0	661,654	661,654	0	661,654	0	0.0%	0	0.0%
Arts Council	Council on Humanities	200,000	195,000	0	195,000	190,000	(3,800)	186,200	(5,000)	-2.5%	(8,800)	-4.5%
Econ Develop	Managing Mainstreet	100,000	100,000	0	100,000	95,000	(1,900)	93,100	0	0.0%	(6,900)	-6.9%
Econ Develop	Microenterprise Development Act	497,500	497,500	0	497,500	472,625	(9,453)	463,172	0	0.0%	(34,328)	-6.9%
Econ Develop	Ag Opportunities/Value-Added grants	850,000	850,000	0	850,000	850,000	0	850,000	0	0.0%	0	0.0%
Econ Develop	Building Entrepreneurial Communities	277,500	146,250	0	146,250	142,500	(2,850)	139,650	(131,250)	-47.3%	(6,600)	-4.5%
Econ Develop	Tourism matching grant program	500,000	0	0	0	0	0	0	(500,000)	-100.0%	0	na
Crime Comm	Juvenile services grants	587,812	587,812	0	587,812	587,812	0	587,812	0	0.0%	0	0.0%
Crime Comm	County Juvenile Services aid	1,492,500	1,492,500	0	1,492,500	1,492,500	0	1,492,500	0	0.0%	0	0.0%
Crime Comm	Crimestoppers program	13,457	13,457	0	13,457	13,457	0	13,457	0	0.0%	0	0.0%
Crime Comm	Victim Witness assistance	52,559	52,559	0	52,559	52,559	0	52,559	0	0.0%	0	0.0%
Crime Comm	Crime Victims reparations	20,000	20,000	0	20,000	20,000	0	20,000	0	0.0%	0	0.0%
Blind & Vis Imp	Blind rehabilitation	190,000	185,250	0	185,250	180,500	(3,610)	176,890	(4,750)	-2.5%	(8,360)	-4.5%
Comm Colleges	Aid to Community Colleges	87,266,476	86,966,256	0	86,966,256	86,758,025	0	86,758,025	(300,220)	-0.3%	(208,231)	-0.2%
Environ Cntrl	Superfund cleanup	2,173,000	1,961,400	0	1,961,400	1,980,000	0	1,980,000	(211,600)	-9.7%	18,600	0.9%
Environ Cntrl	Storm Water Management grants	2,487,972	2,434,878	0	2,434,878	2,372,445	(47,449)	2,324,996	(53,094)	-2.1%	(109,882)	-4.5%
Individuals/Other		1,015,815,63	880,256,943	(9,627,574)	870,629,369	963,621,326	(17,066,938)	946,554,388	(135,558,689)	-13.3%	66,297,445	7.5%
Local Government		1,236,048,81	1,220,339,54	3,609,000	1,223,948,54	1,173,979,63	14,110,211	1,188,089,84	(15,709,270)	-1.3%	(32,249,692)	-2.6%
Total General Fund State Aid		2,251,864,442	2,100,596,483	(6,018,574)	2,094,577,909	2,137,600,963	(2,956,727)	2,134,644,236	(151,267,959)	-6.7%	34,047,753	1.6%

## Appendix D

### Across the Board Cuts by Program - General Funds

Agency	Program	Type	FY2010-11 GF Appropriation (2009 Spec Session)	FY2010-11 Across the Board Cut
3	Legislative Council	1	Salaries-State Senators	Oper 632,982 0
3	Legislative Council	122	Legislative Services	Oper 8,376,992 (167,540)
3	Legislative Council	123	Clerk of the Legislature	Oper 3,127,314 (62,546)
3	Legislative Council	126	Legislative Research Services	Oper 956,361 (19,127)
3	Legislative Council	127	Revisor of Statutes	Oper 1,451,637 (29,033)
3	Legislative Council	129	Legislative Audit	Oper 437,414 (8,748)
3	Legislative Council	501	Intergovernmental Cooperation	Oper 424,670 (8,493)
3	Legislative Council	504	Office of Public Counsel	Oper 1,004,047 (20,081)
3	Legislative Council	638	Fiscal and Program analysis	Oper 1,440,412 (28,808)
5	Supreme Court	3	Salaries-Supreme Court judges	Oper 1,172,985 0
5	Supreme Court	4	Salaries-Appeals Court judges	Oper 966,623 0
5	Supreme Court	5	Salaries-Retired judges	Oper 110,255 0
5	Supreme Court	6	Salaries-District Court judges	Oper 10,158,124 0
5	Supreme Court	7	Salaries-County Court judges	Oper 8,737,099 0
5	Supreme Court	52	Court operations	Oper 28,339,749 (566,795)
5	Supreme Court	67	Probation	Oper 20,877,838 (417,557)
5	Supreme Court	435	Community Corrections	Oper 965,720 0
7	Governor	2	Salary-Governor	Oper 142,849 0
7	Governor	18	Policy Research Office	Oper 534,395 (10,688)
7	Governor	21	Office of the governor	Oper 989,279 (19,786)
8	Lt. Governor	8	Salary-Lieutenant Governor	Oper 108,716 0
8	Lt. Governor	124	Office of the Lieutenant Gover	Oper 35,274 (705)
9	Sec of State	9	Salary-Secretary of State	Oper 112,282 0
9	Sec of State	22	Departmental administration	Oper 194,584 (3,892)
9	Sec of State	86	Records management	Oper 148,361 (2,967)
10	Auditor	10	Salary-State Auditor	Oper 117,694 0
10	Auditor	506	State audits	Oper 2,270,820 (45,416)
11	Attorney General	11	Salary-Attorney General	Oper 129,913 0
11	Attorney General	496	Water Litigation	Oper 0 0
11	Attorney General	507	Interpret & application of law	Oper 5,931,793 (118,636)
12	Treasurer	12	Salary-State Treasurer	Oper 117,018 0
12	Treasurer	24	State Disbursement Unit	Oper 1,328,245 (26,565)
12	Treasurer	659	Long Term Care Savings Plan	Oper 100,086 (2,002)
13	Education	25	Departmental administration	Oper 11,502,001 (230,040)
13	Education	351	Vocational rehabilitation	Oper 2,580,383 0
13	Education	401	Services for Deaf & Hard of Hearing	Oper 1,970,686 0
13	Education	402	School for the Visually Impaired	Oper 1,836,407 0
14	Public Service Com.	14	Salaries-PSC commissioners	Oper 504,807 0
14	Public Service Com.	16	Expenses-PSC commissioners	Oper 54,150 (1,083)
14	Public Service Com.	54	Enf of stds-common carriers	Oper 1,991,026 (39,821)
15	Parole Board	320	Parole Board salaries	Oper 497,925 0
15	Parole Board	358	Board of Parole	Oper 307,411 (6,148)
16	Revenue	13	Salary-Tax Commissioner	Oper 184,825 0
16	Revenue	102	Revenue administration	Oper 23,447,867 (468,957)
16	Revenue	112	Revenue Property Assessment Division	Oper 3,954,660 (79,093)

Agency		Program		Type	FY2010-11 GF Appropriation (2009 Spec Session)	FY2010-11 Across the Board Cut
18	Agriculture	27	Departmental administration	Oper	1,647,740	(32,955)
18	Agriculture	56	Weights and Measures	Oper	781,340	(15,627)
18	Agriculture	57	Bureau of Daires and Foods	Oper	785,980	(15,720)
18	Agriculture	61	Agricultural laboratories	Oper	639,207	(12,784)
18	Agriculture	63	Bureau of Animal Industry	Oper	2,101,706	(42,034)
18	Agriculture	333	Bureau of Plant Industry	Oper	183,523	(3,670)
21	Fire Marshal	193	Protection of people and prope	Oper	3,122,489	(62,450)
21	Fire Marshal	340	Nebr Fire Service	Oper	874,481	(17,490)
21	Fire Marshal	415	Volunteer Recruitment/Retention	Oper	12,312	(246)
21	Fire Marshal	845	Nebr Public Safety Communication System	Oper	364,358	0
23	Labor	194	Protection of people and prope	Oper	553,135	(11,063)
25	HHS System	32	Prescription Drug Cost Savings Act	Oper	1,270,541	0
25	HHS System	33	Administration	Oper	99,398,994	(1,639,592)
25	HHS System	178	Bureau of Examining Boards	Oper	71,639	(1,433)
25	HHS System	179	Public Health Administration	Oper	1,058,364	(21,167)
25	HHS System	250	Juvenile Services	Oper	24,961,927	0
25	HHS System	365	Mental Health/Regional Centers	Oper	35,583,007	0
25	HHS System	421	Developmental Disability/BSDC	Oper	25,082,959	0
25	HHS System	422	BSDC Contingency Appropriation	Oper	24,477,558	0
25	HHS System	519	Nebraska Veterans Homes	Oper	27,995,258	0
25	HHS System	870	Norfolk Sex Offender Treatment	Oper	14,821,522	0
27	Roads	113	Branch Rail Revitalization	Oper	2,479	(50)
28	Veterans Affairs	36	Departmental administration	Oper	871,640	(17,433)
28	Veterans Affairs	37	Veterans Cemetary	Oper	266,892	(5,338)
29	Natural Resources	334	Soil & water conservation	Oper	9,494,300	(189,886)
31	Military Dept	544	Natl & state guard	Oper	2,831,548	(56,631)
31	Military Dept	545	Civil defense & emerg planning	Oper	939,542	(18,791)
32	Ed Lands & Funds	529	Land surveyors	Oper	342,153	(6,843)
33	Game and Parks	336	Wildlife conservation	Oper	1,424,767	(28,495)
33	Game and Parks	337	Administration	Oper	762,189	(15,244)
33	Game and Parks	549	Parks--admin & operations	Oper	6,961,563	(139,231)
33	Game and Parks	550	Planning and federal aid	Oper	172,836	0
33	Game and Parks	617	Engineering & area maintenance	Oper	2,378,901	(47,578)
33	Game and Parks	846	Nebr Public Safety Communication System	Oper	37,384	0
34	Library Commission	252	Library services	Oper	2,470,075	(49,402)
34	Library Commission	302	Library Development	Oper	69,948	(1,399)
35	Liquor Commission	73	Enforcement and regulation	Oper	977,316	(19,546)
46	Correctional Services	200	Adult Services	Oper	142,503,217	0
46	Correctional Services	725	Depreciation surcharge	Oper	71,915	0
47	Educational Telecomm.	533	Educational television	Oper	9,204,912	(184,098)
47	Educational Telecomm.	566	Public radio	Oper	487,690	(9,754)
48	Postsecondary Coord.	640	Administration	Oper	1,238,628	(24,773)
50	State Colleges	48	All Campuses	Oper	45,369,972	0
51	University of Nebr.	515	All Campuses	Oper	494,720,104	0
54	Historical Society	648	Historical Society	Oper	4,280,522	(85,610)
64	State Patrol	100	Public protection	Oper	54,048,732	0
64	State Patrol	630	Capital Security	Oper	411,758	(8,235)
64	State Patrol	850	Nebr Public Safety Communication System	Oper	1,439,236	0



Agency	Program	Type	FY2010-11 GF Appropriation (2009 Spec Session)	FY2010-11 Across the Board Cut
65 Admin Services	101 Chief Information Officer	Oper	402,224	(8,044)
65 Admin Services	169 Washington consultant	Oper	7,787	(156)
65 Admin Services	509 Budget administration	Oper	1,151,425	(23,029)
65 Admin Services	535 State claims administration	Oper	80,628	(1,613)
65 Admin Services	560 Building Division	Oper	277,019	(5,540)
65 Admin Services	591 Tort claims	Oper	210,000	0
65 Admin Services	592 Indemnification Claims	Oper	241,250	0
65 Admin Services	605 Personnel Division	Oper	1,467,350	(29,347)
65 Admin Services	608 Employee Relations Division	Oper	369,489	(7,390)
65 Admin Services	685 Capital Commission	Oper	3,967,721	(79,354)
67 Equal Opportunity Comm.	59 Enf stds-equal employment/hous	Oper	1,302,156	(26,043)
68 Mexican-American Comm.	537 Mexican American Commission	Oper	199,834	(3,997)
69 Arts Council	326 Promotion/development	Oper	596,972	(11,939)
70 Foster Care Review	116 Foster care review	Oper	1,385,402	(27,708)
72 Economic Development	134 Rural Development Commission	Oper	156,528	(3,131)
72 Economic Development	600 Administration	Oper	1,193,949	(23,879)
72 Economic Development	601 Community Affairs	Oper	238,749	(4,775)
72 Economic Development	603 Industry Recruitment	Oper	2,751,666	(55,033)
72 Economic Development	618 Tourism Promotion	Oper	500,000	0
76 Indian Affairs	584 Commission on Indian Affairs	Oper	185,250	(3,705)
77 Industrial Relations	490 Commissioner Expenses	Oper	100,485	(2,010)
77 Industrial Relations	531 Commission of Industrial Relat	Oper	215,822	(4,316)
78 Crime Commission	150 Juvenile justice aid	Oper	113,861	(2,277)
78 Crime Commission	198 State & local planning	Oper	542,203	(10,844)
78 Crime Commission	199 Law Enforcement Training Cente	Oper	2,100,018	(42,000)
78 Crime Commission	201 Victim Witness Assistance	Oper	3,899	(78)
78 Crime Commission	202 Crime victims reparations	Oper	7,997	(160)
78 Crime Commission	203 Jail standards	Oper	292,101	(5,842)
78 Crime Commission	204 Office of Violence Prevention	Oper	100,000	0
78 Crime Commission	215 Criminal Justice Info Sstem CJIS	Oper	143,559	(2,871)
78 Crime Commission	220 Community Corrections Act	Oper	5,594,432	(111,889)
81 Blind & Visually Impaired	357 Blind/Visually Impaired	Oper	852,342	(17,047)
82 Hearing Impaired	578 Hearing impaired	Oper	853,179	(17,064)
84 Environmental Quality	513 Administration	Oper	3,331,450	(66,629)
85 Retirement Board	515 Public employees retirement	Oper	27,371,336	0
87 Account/Disclosure	94 Accountability & disclosure	Oper	419,318	(8,386)
93 Tax Equal/Review	115 Tax Equalization and Review	Oper	831,678	(16,634)
AGENCY OPERATIONS			1,259,401,017	(5,791,825)
12 Treasurer	119 Aid to NRD's	Aid	1,465,377	(29,308)
12 Treasurer	120 Aid to Cities	Aid	11,188,333	(223,767)
12 Treasurer	149 Aid to Counties	Aid	4,717,573	(94,351)
13 Education	158 State Aid to Education (TEEOSA)	Aid	778,529,472	0
13 Education	158 Special Education	Aid	184,893,842	0
13 Education	158 Aid to ESU's	Aid	15,093,191	(301,864)
13 Education	158 High ability learner programs	Aid	2,220,075	(44,402)
13 Education	158 Early Childhood program	Aid	3,434,655	(68,693)
13 Education	158 School Lunch	Aid	400,033	(8,001)

Agency	Program	Type	FY2010-11 GF Appropriation (2009 Spec Session)	FY2010-11 Across the Board Cut
13 Education	158 Textbook loan program	Aid	475,000	(9,500)
13 Education	158 School Breakfast reimbursement	Aid	427,260	0
13 Education	158 Adult Education	Aid	219,045	(4,381)
13 Education	158 Learning Communities Aid	Aid	973,750	(19,475)
13 Education	351 Vocational Rehabilitation	Aid	2,000,000	0
16 Revenue	104 County Property Tax Relief	Aid	1,425,000	(28,500)
16 Revenue	108 Homestead Exemption	Aid	65,000,000	0
18 Agriculture	333 Food Supply Animal Vet Incentives	Aid	114,000	(2,280)
25 HHS System	38 Behavioral Health Aid	Aid	74,721,481	0
25 HHS System	175 Medical student assistance/RHOP	Aid	343,965	(6,879)
25 HHS System	344 Childrens Health Insurance (SCHIP)	Aid	11,559,015	0
25 HHS System	347 Public Assistance	Aid	246,964,986	0
25 HHS System	348 Medicaid	Aid	507,644,000	0
25 HHS System	424 Community developmental disabilities	Aid	90,573,431	0
25 HHS System	502 Community health centers	Aid	3,867,394	0
25 HHS System	514 Public Health Aid	Aid	4,807,372	0
25 HHS System	559 Care Management	Aid	2,033,123	0
25 HHS System	571 Area agencies on aging	Aid	5,966,315	0
29 Nat Resources	304 Nebr Water Conservation Fund	Aid	2,365,343	(47,307)
29 Nat Resources	307 Resources Development Fund	Aid	3,204,413	(64,088)
29 Nat Resources	311 NRD Water Management grants	Aid	2,197,211	(43,944)
31 Military Dept	192 Governors Emergency Fund	Aid	500,000	0
31 Military Dept	548 Guard tuition assistance	Aid	498,750	(9,975)
33 Game & Parks	338 Niobrara Council	Aid	45,125	(903)
34 Library Comm	302 Aid libraries	Aid	1,154,467	(23,089)
46 Corrections	750 County jail cost reimbursement	Aid	3,714,500	(74,290)
48 Coord. Comm	690 Nebr Scholarship Program	Aid	6,549,139	(130,983)
48 Coord. Comm	691 Access College Early Scholarship	Aid	445,250	0
69 Arts Council	327 Aid to arts programs	Aid	661,654	0
69 Arts Council	328 Council on Humanities	Aid	190,000	(3,800)
72 Econ Develop	600 Managing Mainstreet	Aid	95,000	(1,900)
72 Econ Develop	601 Microenterprise Development Act	Aid	472,625	(9,453)
72 Econ Develop	134 Ag Opportunities/Value-Added grants	Aid	850,000	0
72 Econ Develop	603 Building Entrepreneurial Communities	Aid	142,500	(2,850)
78 Crime Comm	150 Juvenile services grants	Aid	1,492,500	0
78 Crime Comm	155 County Juvenile Services aid	Aid	587,812	0
78 Crime Comm	198 Crimestoppers program	Aid	13,457	0
78 Crime Comm	201 Victim Witness assistance	Aid	52,559	0
78 Crime Comm	202 Crime Victims reparations	Aid	20,000	0
81 Blind & Vis Imp	357 Blind rehabilitation	Aid	180,500	(3,610)
83 Comm Colleges	151 Aid to Community Colleges	Aid	86,758,025	0
84 Environ Cntrl	513 Superfund cleanup	Aid	1,980,000	0
84 Environ Cntrl	513 Storm Water Management grants	Aid	2,372,445	(47,449)
<i>STATE AID</i>			<i>2,137,600,963</i>	<i>(1,305,042)</i>
<i>CAPITAL CONSTRUCTION</i>			<i>13,652,233</i>	<i>0</i>
<i>TOTAL GENERAL FUNDS</i>			<i>3,410,654,213</i>	<i>(7,096,867)</i>